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Automotive News

February 22, 1982

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57th year—$40 per year, $1.00 per copy

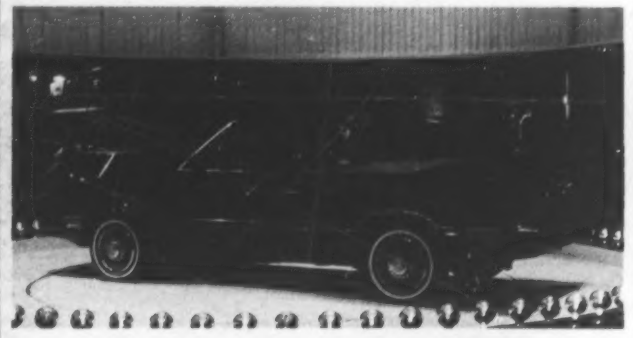
Ragtop revival

Spring brings Riviera convertible

The convertible is back and domestic auto makers are hoping the allure of open-air motoring will thaw out stubborn buyers as the spring selling season approaches. In addition to the Buick Riviera and others shown on this page, Ford Motor Co. is readying a ragtop Mustang for summer introduction. The Buick Riviera convertible goes on sale April 15. The Riviera's glass rear window folds away with the power top. Estimated price is below $25,000. About 500 Riviera convertibles will be built through the '82 model year.

Cavalier convertible in the works

This Chevrolet Cavalier convertible was originally built and shown as a concept car but former General Manager Robert Lund confirmed that Chevy will build a version of it, perhaps late in the year. The show car features a power top, plexiglass-covered headlights, the new 2.0-liter inline four-cylinder engine and a five-speed transmission.



Jim Piegue photos

LeBaron flips its lid

Chrysler LeBaron (shown) and Dodge 400 convertibles are scheduled to bow in mid-April. The LeBaron/400 convertible has four-passenger seating and power-top with a zip-out rear window. Chrysler has the capacity to build up to 12,500 convertibles through the model year. The last domestic-built convertible car was the 1976 Cadillac Eldorad

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NADA in Atlanta

Is there pent-up demand? Many factors cloud issue

By Edward Lapham
Financial Editor

More than at any time in recent automotive history, pricing and the pricing policy of the domestic auto makers are an important topic.

The recent flurry of rebates by all the domestic producers suggests that they, too, realize the price sensitivity of the current U. S. auto market.

There is some question, however, about the long-term value of rebates: Do they merely steal sales from the future or can they actually be used to stimulate a recovery back to a "normal" sales trend line?

Those market analysts who believe, or hope, that rebates will stimulate a real recovery generally accept two basic facts. First, they believe that U. S.-made cars really aren't all that overpriced. They also believe that there is a massive pent-up demand for automobiles just waiting to explode like an overripe melon.

On the first assumption, there is some evidence that there is at least some element of truth.

Maryann Keller, vice president and auto analyst for Paine Webber Mitchell Hutchins, Inc., said she believes the overpricing discussion, involving so - called "sticker shock" is really the perception by U. S. consumers that there is more value per dollar in imports.

She said, however, that because of domestic rebate programs plus sticker premiums and "phantom" options tacked on by import dealers, the transactional price of imports was actually higher than that of domestic makes in 1981.

Keller totally discounts the pent-up demand assumption.

"Income is the most important factor influencing sales," she said. "I don't think economic conditions in the U. S. for the next five years will allow fulfillment of pent-up demand."

• Even the NADA is leery of pent-up demand projections.

A February Automotive Executive Article prepared by the NADA Industry Analysis Division said "the idea of significant pent-up demand waiting to be unleashed is fiction."

The article did, however, say that sticker shock is real and that the market has become increasingly price sensitive.

"The public reaction to manufacturer incentive and rebate programs demonstrates this fact," the article said. "The strength of the used-car market provides additional evidence. As individuals have been priced out of the new-car market, they have increasingly entered the used-car market."

To provide some sort of empirical analysis without getting pulled too far to one side or the other of either controversy, AUTOMOTIVE NEWS asked a reputable economic analysis firm to provide some insight into the impact of pricing on the sales of large and small cars against the backdrop of the coming recovery.

The accompanying chart graphically depicts the results. The analysis assumes that there is some borrowing of future sales by rebate programs, a moderate recovery rate for the economy and that, generally, smaller models will not pull out of the slump as quickly some of the larger models.

The analysis also assumes a positive impact from the mid-year tax cut, no strike by the UAW in the fall and moderate price elasticity.

In the first scenario, assuming no permanent price reduction for either large or small cars, there is a modest market upturn in the second half of the '82 model year, with a slightly faster recovery for large cars.

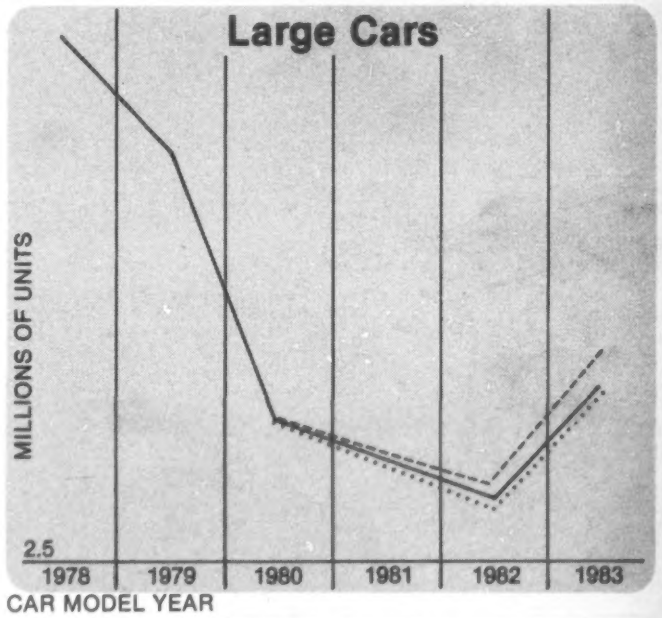
In the second scenario, which

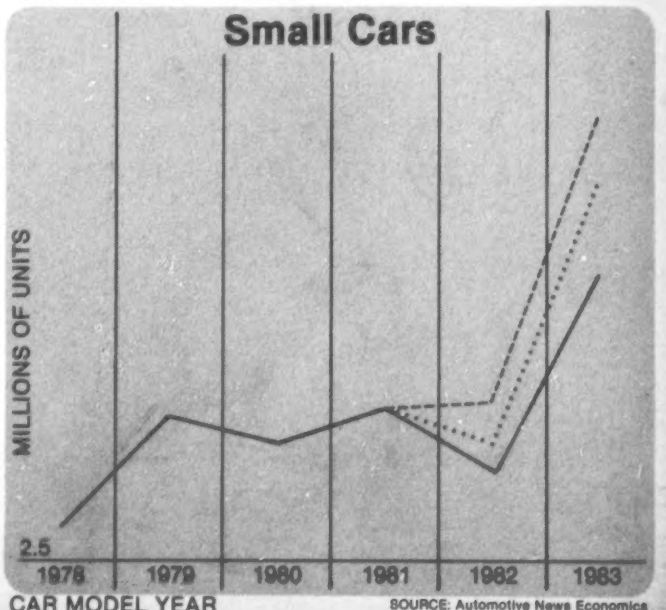
Continued on Page 24, Col. 5

PRICING IMPACT

Three Scenarios for Domestic-make Sales by Model Year

——— No permanent price cuts
- - - - $1000 small-car price cut, $500 large-car price cut
····· $500 small-car price cut, no large-car price cut





SOURCE: Automotive News Economics

Automotive News.

February 22, 1982

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Problems galore, but few solutions as NADA meets

By Robert M. Lienert
Editor

ATLANTA. — Members of NADA, gathered here for their 65th convention and exposition, are playing a reprise of last year's rather gloomy affair in Los Angeles.

It is doubtful whether at any time in those previous 64 conventions the outlook was any less rosy than it is right now. Problems that have bedeviled the industry in recent years have not been solved. Nor do they show any signs of going away.

Thus, the reprise. A year ago, the convention watchword was "survival." This year, the theme is still survival but that, of course, applies only to those that have survived so far.

Dominant issues for discussion here are the stagnant market, which appears to be resisting all efforts to revive sales; lofty sticker prices, which frighten potential customers, and sky-high interest rates, which chill the intentions of prospects who aren't driven away by the bottom line of the price stickers.

While inflation has doubtless shot some of the holes in the suffering market, it was not generally a convention topic.

• This is the first time NADA's annual extravaganza has been held in this bustling Southern metropolis. Southern hospitality lives up to its reputation and the convention facilities are first-rate, but dealers meeting here are caught up in a world of their own. Not of their own making or choosing, just their own burden.

Early registrations indicate that attendance will be about the same as last year's. About 10,000 persons, including 3,000 dealers, are expected to sign into this convention before it goes dark on Tuesday. NADA expects some last-minute, over-the-counter registrations, though not so many as last year in Los Angeles. More managers are expected this year.

Wendell H. Miller, who will turn over the president's gavel to George W. Lyles at Tuesday afternoon's general session, is expected to touch briefly on NADA programs and activities of the past year.

Miller last week, in referring to last year's convention, recalled that delegates had urged makers to roll back prices to

Continued on Page 198, Col. 1

Viva, Bolero!

Mustang converted to two-seater

The Bolero, built by California Custom Coach, Pasadena, starts life as a Mustang, but evolves into a two-passenger, targa-top fiberglass-and-steel model that is expected to sell for under $18,000 when it goes on sale in mid-March. Powered by a 4-, 6- or 8-cylinder engine, production is forecast at several hundred per year. The Bolero is to be sold through Ford dealers only.

Dealer total drops 984 to 20,788 selling Big 3, AMC

By John K. Teahen Jr.
Managing Editor

The number of dealerships handling Big Three and American Motors cars declined by 984 during 1981, the annual AUTOMOTIVE NEWS census shows.

The four companies had a total of 20,788 retail outlets at the beginning of this year, compared with 21,772 on Jan. 1, 1981.

Last year was a bad one. Not as bad as 1980 when 1,607 outlets faded from the scene, but it still showed a severe loss.

In the last 20 years, there has been only one decline that was greater than those of 1980 and 1981. That was in 1966, when Studebaker withdrew from the auto business. The downturn was 1,856 that year.

For Jan. 1, 1982, Volkswagen is included in the domestic dealership total in the table accompanying this article. The total for the five U. S. companies is 21,680. Had VW been included a year ago, the count would have been 22,672 at the beginning of 1981. (Figures have been adjusted to reflect intercorporate duals.)

Prior to this year, Volkswagen has been included in the Automotive News Imported Car Dealership Census.

Last year, AMC and each of

Continued on Page 199, Col. 1

UAW council OK's contract; would save Ford $1 billion

By Marjorie Sorge
Labor Editor

CHICAGO. — The UAW Ford Council has approved a new Ford contract for rank and file ratification. The contract offers the union workers guaranteed income and a 24-month moratorium on plant closings in exchange for more than $1 billion in concessions.

The 144 delegates attending the meeting here approved the contract by about 95 percent. UAW Vice President Donald Ephlin, director of the Ford Department, said the union hopes to have the rank-and-file vote wrapped up by Feb. 28 with the new agreement taking effect March 1.

Officials at both General Motors and Ford said the new agreement is designed to boost sales and save jobs.

That new pact also provides a profit-sharing agreement while asking for a nine-month freeze on cost-of-living adjustments (COLA) and no wage increases for the length of the 31-month agreement. It will expire Sept. 14, 1984.

There is an automatic reopener if sales reach a specified level.

In addition, Ford and the UAW have agreed to an experimental pilot plant where lifetime employment would be guaranteed for 80 percent of the workforce. The plan would be similar to those in Japan where 80 percent of the workers are permanent company employes and the other 20 percent are temporary and are laid off if times are tough.

No plants have yet been chosen for the pilot program, but UAW President Douglas A. Fraser said "there are a lot of volunteers."

The new contract also abolishes all paid personal holidays (PPH) six from the time the agreement takes effect until the end of 1982, and a extra paid bonus Sunday holiday in December.

There were no changes in the

Continued on Page 4, Col. 3

breaking news

DeLorean enterprise stays afloat

LONDON. — John Z. DeLorean's sports car enterprise is still in business. Late last week, the Belfast-based car-making unit, DeLorean Motor Cars Ltd., went into voluntary receivership following a British Government decision to cut off funds. The plant will build cars under the guidance of receiver Sir Kenneth Cork. The U. S. firm, DeLorean Motor Co., was not affected and will continue to sell cars.

Ford asks suppliers to cut prices 2 pct.

DETROIT. — Ford Motor Co. is asking its suppliers to reduce their prices by 2 percent. General Motors made a similar request earlier this month. Ford asked that the rollback be applied to supplier billings from Feb. 1 to July 31.

See BREAKING NEWS, Page 8, Col. 1

Time names Strauss Quality Dealer of Year

ATLANTA. — Time Magazine has named Richard E. Strauss, president and general manager of Dick Strauss Ford, Inc., and Dick Strauss Isuzu, Richmond, Va., as the 1982 Time Magazine Quality Dealer of the Year.

He will serve as official national spokesman during the year for all 64 recipients of Time Magazine Quality Dealer Award (TMQDA) honors.

Strauss' award was announced Feb. 20 at the NADA convention in Atlanta. Strauss and the other winners received their awards at the opening business meeting of the NADA convention.

Strauss was one of 20 franchised new-car dealers named earlier by Time as TMQDA win-

Continued on Page 190, Col. 1

Richard E. Strauss
Virginia Ford dealer . . .

Industry seminar scheduled Aug. 22-25

Smith to keynote World Congress

Roger B. Smith, chairman of General Motors, will deliver keynote remarks for the seventh annual Automotive News World Congress.

This leading industry seminar, a part of Automotive Week in Detroit this year, will be held Aug. 22-25 at the Westin Hotel (formerly the Detroit Plaza), site of the 1979 gathering in Detroit's Renaissance Center. It was at Dearborn's Hyatt Regency last year.

As part of Automotive Week, the Automotive News World Congress will run in tandem with Automotive News World Expo. The latter will be staged Aug. 24-27 at Detroit's main exhibition center, Cobo Hall.

Sites of the two events are conveniently located on Detroit's downtown waterfront.

Smith, as keynoter of the Automotive News World Congress, is expected to deliver a "state of the industry" report to those attending the opening of the 3½-day affair.

"This year's Automotive News World Congress has more of an international flavor than ever before," said Keith E. Crain, publisher and editorial director

Continued on Page 28, Col. 1

But truck inventory climbs to 132

Import-car supply dips to 56 days

By Richard A. Wright
Assistant Managing Editor

The inventory of new imported cars in the U. S. dipped a bit in January and stood at a 56½-day supply Feb. 1, down from a 60½-day stock a month earlier.

The decline in days supply was the result of both a decrease in the unit count and an increase in the sales pace during January.

The inventory of new imported pickup trucks jumped sharply during the month, however, to a 132-day supply, compared with a 108-day stockpile on Jan. 1.

The inventory of new imported vehicles Feb. 1 totaled 375,784 cars and 156,574 trucks, a combined 68-day supply, which was unchanged from a month earlier when the inventory included 383,228 cars and 133,256 trucks.

The Feb. 1 imported-car stockpile of 56½ days is close to the ideal for imports — if anything, a bit lean. At the same time, the Feb. 1 supply of U. S.-built new cars was still heavy at 97 days.

• A sales surge by Honda during January propelled it into second place among import deliveries for the month and also trimmed its inventory to a 22-day supply from its Jan. 1 level of 39 days.

Number one import seller Toyota was also in a very lean inventory position with only a 25-day supply, off from 26 days Jan. 1. Datsun was in the strongest inventory position of the leaders with a 76½-day supply, up from 67 days a month earlier.

Subaru had a 44-day supply of new cars Feb. 1, up from 36 days a month earlier. The 80-day supply of Mazdas was up slightly from 79 days on Jan. 1, while Isuzu's stockpile jumped to 100 days from 92 days.

Chrysler Corp. had a heavy 123-day supply of Mitsubishi-built cars on hand Feb. 1, which was actually down from 152 days a month earlier.

The combined inventory of Japanese-built new cars in the U. S. Feb. 1 totaled 268,131 units, a 49-day supply, down from a 52½-day stock Jan. 1.

The stockpile of West German-built new cars totaled 59,233, a 91½-day supply, up from 77 days a month earlier.

This included supplies of Mercedes-Benz good for 64 days; BMW, 66 days; Porsche, 78½ days, and German-built Volkswagens, 118 days. VW also had a 165-day supply of U. S.-built Rabbits and a 170-day supply of U. S.-built Rabbit pickup trucks.

Days-supply figures for imported pickup trucks in stock Feb. 1 were: Toyota, 92; Ford Courier, 113; Chrysler/Mitsubishi, 118; Chevrolet LUV, 148; Mazda, 165; Datsun, 181, and Isuzu, 194.

Electric Electrek bows

Unique Mobility, Englewood, Colo., introduced its Electrek—a $24,000 EV hatchback with 20 cubic feet of carrying capacity, but with a passenger seat that can be removed to bring total capacity to 35 cubic feet. First auto dealer to carry the hand-built car is Brooks Cadillac, Scottsdale, Ariz.

Dealers told of steps to meet competition from Mitsubishi

Chrysler outlines product and marketing plans

By Joseph Bohn
Marketing Editor

Chrysler recently outlined its future product plans, and some of its marketing strategy, to dealers.

It answered one puzzling question: Why step up Mitsubishi advertising and have Kenyon & Eckhardt staff up a big Los Angeles office after all these years, particularly when Mitsubishi is starting its own distribution channel?

As long as voluntary import quotas are in effect, Chrysler said, Mitsubishi's new dealers, who start selling at the beginning of the '83 model year, are limited to 2,500 units a month. But only if Chrysler sells the cars allocated to it.

If Chrysler sales are below the negotiated allocations, those allocations will go to Mitsubishi Motor Sales of America dealers, the company said.

"One of the major objectives of the Import Operations Group is to position Mitsubishi products as imports and the dealers who sell them as import dealers," Chrysler said. "The full thrust of Import Operations will be targeted at this objective," Chrysler said.

Chrysler also plans to focus Dodge dealers as its primary truck retailers, with future product plans.

Dodge dealers will get a new T-115 front-wheel-drive van from Mitsubishi as an exclusive, beginning in '84.

They will have both rear-wheel-drive Ram vans and wagons, as well as front-drive vans and wagons. Plymouth dealers are to get only the front-drive version of the passenger van, and it is to replace the current Voyager.

Chrysler took great care to explain, however, that these are its current plans. Given the topsy-turvy nature of the market, it could well continue additional rear-drive Plymouth models, if demand is there.

Vehicles that combine the qualities of a car and truck but are more car-like would be given Plymouth and Dodge dealers, Chrysler said.

Thus, Plymouth dealers will get a version of the Rampage, called Scamp, in '83.

Chrysler also said it was negotiating with Mitsubishi on a more competitive retail price for the imported D50 pickup truck.

• Chrysler noted that when the new Mitsubishi channel starts up in '83, MMSA and Dodge dealers, for example, would be competing in different market segments with different products.

MMSA dealers will have sporty two-door and conventional four-door compacts and a high-priced sports car.

Dodge dealers will continue to sell the high-volume Colt two-door and four-door models and the Challenger specialty model. Plymouth dealers will continue to sell Champ and Sapporo.

Chrysler's first diesel will be a 1.9-liter Peugeot-supplied diesel for the L-body Omni/Horizon in '84½.

In other future product changes, the company said:

1. The Dodge Ram's head ornament will become standard in '83 on all pickup truck series, except the low level pickup.

2. Luxury options, like a 60/40 seat, do not support the price-oriented, volume sales strategy for K cars, but a bucket seat center armrest would be available as an option on '83 K models.

3. A driver-controlled right hand remote mirror will be made available for LeBaron and Dodge 400.

4. The Aries/Reliant instrument panel will be upgraded to a fully padded level for '83.

5. A high-altitude 2.6-liter engine will be offered for '83 (along with the low-altitude version).

On advertising, Chrysler said:

1. It has been testing new engineering lines and expects to have an engineering theme ready shortly for advertising.

2. It will step up van advertising, but only regionally. Since vans are not a major product in certain areas of the country, increased van advertising will be regionalized and accomplished through improved advertising in major van markets.

Chrysler acknowledged that its announcement show for salesmen on '82 models (via Satellite) was too long and, in some cases, repetitous.

Future shows will be strictly motivational/announcement activities, and training sessions will be deleted, it said.

Extra day is the reason; no rebate surge noted

Early-month car sales inch upward

By Jenny L. King
Staff Writer

Early-February new-car sales responded only slightly to the most recent round of customer rebates. The total was up from its year-ago counterpart and the daily selling rate was best so far this year although it was down from the Feb. 1-10, 1981, average.

This year, dealers retailed 142,273 new U. S.-built units, up 4.96 percent from 135,554 the preceding year. The daily average was 15,808, down 6.70 percent from 16,944. There were nine selling days this year, eight last year.

General Motors and Chrysler Corp. were up on a year-to-year basis; everyone was down on the daily-rate scale. GM sales totaled 88,131, up 12.02 percent from 78,674 in 1981 (off 0.43 percent daily rate). Chrysler reported sales of 16,384, up 7.50 percent from 15.241 (down 4.47 percent daily rate).

Ford Motor Co. reported sales of 33,824 new cars, down 4.16 percent from 35,294 last year (down 14.82 percent daily rate). Volkswagen of America was down 51.15 percent, to 1,634 from 3,345 (down 56.49 percent daily rate). Estimated sales of American Motors passenger cars numbered 2,300, down 23.33 percent from 3,000 (down 31.72 percent daily rate).

GM earned 61.94 percent of the Feb. 1-10 market, up from 58.04 percent a year ago. Ford stood at 23.77 percent, down from 26.04 percent. Chrysler edged ahead to 11.52 percent from 11.24 percent. VWoA dropped to 1.15 percent from 2.47 percent, and AMC had an estimated 1.62 percent of the domestic total, down from 2.21 percent.

Seven domestic makes reported sales increases on a year-to-year basis. Chrysler was up 62.98 percent, Lincoln was up 56.79 percent, Buick was up 34.10 percent, Chevrolet was up 20.62 percent, Pontiac was up 20.29 percent, Cadillac was up 16.17 percent and Dodge was up 0.50 percent.

On the wrong side of breaking even were: VWoA, down 51.15 percent; Imperial, down 24.28 percent; AMC, down 23.33 percent; Oldsmobile, down 17.68 percent; Mercury, down 6.65 percent; Ford, down 6.54 percent, and Plymouth, down 4.14 percent.

Sales thrcugh Feb. 10 totaled 510,411, down 15.69 percent from 605,386 in 1981.

DOMESTIC SALES

	Feb. 1-10, 1982	Feb. 1-10, 1981
AMERICAN MOTORS	2,300†	3,000†
Chrysler	3,615	2,218
Imperial	52	70
Plymouth	6,229	6,498
Dodge	6,487	6,455
CHRYSLER CORP.	16,384	15,241
Ford	23,775	25,439
Mercury	7,959	8,522
Lincoln	2,090	1,333
FORD MOTOR	33,824	35,294
Buick	15,738	11,736
Cadillac	6,048	5,206
Chevrolet	35,031	29,043
Oldsmobile	17,359	21,088
Pontiac	13,955	11,601
GENERAL MOTORS	88,131	78,674
VOLKSWAGEN	1,634	3,345
INDUSTRY TOTAL	142,273	135,554

†Estimate

Nissan Sentra to lead gas-engine MPG race

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — Look for a new leader in the fuel economy derby this year.

Taking over from Honda in the gasoline-powered passenger-car category will be Nissan's Sentra, the replacement for the Datsun 210.

EPA testing indicates the vehicle will deliver 43 miles per gallon in city driving and an impressive 58 MPG in highway driving.

Honda's Civic FE previously held the mileage crown for gasoline-powered vehicles with 41 MPG City and 55 MPG highway numbers.

The Sentra is a front-wheel-drive, five-passenger model powered by a 1.5-liter four-cylinder engine mated to either a four- or five-speed manual transmission or an automatic.

To get the 43 MPG city number, however, the vehicle would need to be ordered with the five-speed transmission and the feedback fuel system similar to that used on GM's vehicles.

In the more conventional trim the Sentra will deliver mileage in the 35 MPG range for city driving and the high 40s for highway driving.

• Having knocked off Honda, Nissan will also take aim at the alltime mileage leader, Volkswagen Rabbit diesel.

In 1983 it will offer for sale a dieselized version of the car powered by a 1.8-liter diesel that is expected to equal or better the 47 MPG city number the diesel Rabbit now offers.

A "go, no go" decision awaits final word from EPA, however, as the vehicle needs a waiver from the oxides of nitrogen standard if it is to sell here. EPA has indicated such a waiver is in the offing.

Fuel economy is not the sales hook it used to be but is still important. Nissan, seeking to catch import leader Toyota, would appear to be going after every potential.

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1981 dip is less than 1,607 in 1980

Dealer total down 984 for Big 3 and AMC

Continued from Page 1

the Big Three saw their dealer totals decline. For Chrysler Corp. and Ford Motor Co., the 1981 dips were much lighter than in 1980. GM and AMC lost more outlets in 1981 than they did the previous year.

For 1981, the falloffs amounted to 405 for GM, 276 for Ford Motor, 139 for Chrysler Corp. and 116 for AMC. That's a total of 936. A change in the number of intercorporate duals raised the aggregate figure to 984 for the four companies.

By comparison, the 1980 losses were 365 for GM, 553 for Ford, 596 for Chrysler and 38 for AMC. That total of 1,552 became 1,607 after adjusting for the change in intercorporate duals.

Thus, Ford cut its loss in half in 1981, while Chrysler's drop was less than one-fourth as heavy as it was the previous year.

• Volkswagen is not included in the above comparisons for the domestic industry, but its dealer totals are interesting. VW was amazingly steady during a difficult year. There were 1,006 VW outlets at the beginning of 1982, down only 12 from 1,018 a year earlier.

All figures in this article and in the accompanying tables refer to the net change in the dealership population, both for the individual corporations and car lines and for the domestic industry as a whole.

Last year was the 26th consecutive year that the domestic dealership total has declined. The count was 41,018 at the beginning of 1956. The dip to today's 21,680 (including VW) represents a drop of 47.15 percent.

An especially discouraging note in the 1981 picture is the fact that the dealership decline was greater in the second half than in the first. In 1980, the mortality tapered off a bit in the second half.

The fourth quarter of 1980 saw the smallest decline of the year. The fourth quarter of 1981 brought the largest decline of the year.

For AMC and the Big Three, the first quarter dip amounted to 221 dealerships. The toll dropped to 104 in the second quarter for a first-half loss of 325.

The second quarter was a good omen, but the favorable situation did not continue. The dropoff jumped to 260 in the third quarter and to 399 in the fourth. The second-half regression was 659 dealerships, making the full-year loss 984.

Following are the quarter-by-quarter aggregate totals for the four companies during 1981:

Jan., 1981	21,772
April 1, 1981	21,551
July 1, 1981	21,447
Oct. 1, 1981	21,187
Jan. 1, 1982	20,788

It's hardly necessary to dwell on the reasons for the decline in the number of dealerships. Dealers are an integral part of the auto industry and they are sharing in the sorry state of the industry. Depressed sales and nonexistent profits are every bit as apparent at the retail level as they are at the factory level.

• A check of Big Three franchise totals finds that all GM and Ford Motor makes were down for the year, while three of the four Chrysler Corp. lines were up.

Chevrolet and Ford, the industry's two largest dealer organizations, suffered the greatest declines during 1981. Chevrolet was down 245, and Ford was off 236. In each case, most of the dropouts were single-line outlets.

Elsewhere at GM, there were dips of 75 franchises for Pontiac, 60 for Oldsmobile, 35 for Buick and 10 for Cadillac. At Ford Motor, Mercury had a slip of 53, and Lincoln was off 12.

Dodge posted a gain of 102 franchises for the year, and there were advances of 55 for Plymouth and 10 for Imperial. Franchises for the Chrysler nameplate were down by 29.

The gain in franchises coupled with the decline in the number of dealerships means that Chrysler Corp. is doing more dualing among its four car lines.

Chrysler Corp. opened 1981 with 3,823 car dealerships and wound up with 3,684, a dip of 139 for the year. It was a far better performance than in 1980 when the corporation's loss was 596 outlets.

After losing 51 locations in the first quarter, Chrysler posted a gain of 10 in the April-June period. It was the only quarterly upswing of the year in the domestic industry.

The second half was not as kind to the company, however, with quarterly dips of 42 and 56. By comparison, the quarterly losses in 1980 were 152-261-135-45.

RETAIL OUTLETS

U. S. CARS, 1947-1982

Date	No. of Retail Outlets	Pct. Gain or Loss from Previous Year
Jan. 1, 1947	45,580	
Jan. 1, 1948	46,092	+1.12
Jan. 1, 1949	49,173	+6.68
Jan. 1, 1950	46,821	−4.78
Jan. 1, 1951	47,543	+1.54
Jan. 1, 1952	46,014	−3.22
Jan. 1, 1953	45,191	−1.79
Jan. 1, 1954	41,910	−7.26
Jan. 1, 1955	40,374	−3.66
Jan. 1, 1956	41,018	+1.60
Jan. 1, 1957	37,962	−7.40
Jan. 1, 1958	37,188	−2.09
Jan. 1, 1959	35,077	−5.68
Jan. 1, 1960	33,658	−4.05
Jan. 1, 1961	32,482	−3.49
Jan. 1, 1962	31,331	−3.54
Jan. 1, 1963	30,853	−1.53
Jan. 1, 1964	30,827	−0.08
Jan. 1, 1965	30,691	−0.44
Jan. 1, 1966	30,278	−1.35
Jan. 1, 1967	28,422	−6.14
Jan. 1, 1968	27,784	−2.24
Jan. 1, 1969	27,486	−1.07
Jan. 1, 1970	27,071	−1.51
Jan. 1, 1971	26,126	−3.49
Jan. 1, 1972	25,621	−1.93
Jan. 1, 1973	25,441	−0.70
Jan. 1, 1974	25,349	−0.36
Jan. 1, 1975	24,960	−1.46
Jan. 1, 1976	24,453	−2.11
Jan. 1, 1977	24,268	−0.76
Jan. 1, 1978	24,147	−0.50
Jan. 1, 1979	24,051	−0.40
Jan. 1, 1980	23,379	−2.79
Jan. 1, 1981	21,772	−6.87
Jan. 1, 1982	21,680*	−0.41

*—Jan. 1, 1982 total includes Volkswagen.

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RETAIL OUTLETS, U. S. MAKES OF PASSENGER CARS 1982 VS. 1981

	Jan. 1, 1982 Exclusives (within Corp.)	Jan. 1, 1982 Multiples (within Corp.)	Jan. 1, 1982 Total Franchises	Jan. 1, 1982 Net Dealers	Jan. 1, 1981 Exclusives (within Corp.)	Jan. 1, 1981 Multiples (within Corp.)	Jan. 1, 1981 Total Franchises	Jan. 1, 1981 Net Dealers
AMERICAN MOTORS	1,547	0	1,547	1,547	1,663	0	1,663	1,663
CHRYSLER CORP.	1,043	7,007	8,050	3,684	1,153	6,759	7,912	3,823
Chrysler	0	2,639	2,639		0	2,668	2,668	
Dodge	1,026	1,427	2,453		1,130	1,221	2,351	
Imperial	0	421	421		0	411	411	
Plymouth	17	2,520	2,537		23	2,459	2,482	
FORD MOTOR CO.	3,042	5,920	8,962	5,685	3,267	5,996	9,263	5,961
Ford	3,021	1,813	4,834		3,245	1,825	5,070	
Lincoln	0	1,465	1,465		0	1,477	1,477	
Mercury	21	2,642	2,663		22	2,694	2,716	
GENERAL MOTORS	5,880	10,325	16,205	10,655	6,185	10,445	16,630	11,060
Buick	825	2,125	2,950		845	2,140	2,985	
Cadillac	270	1,325	1,595		280	1,325	1,605	
Chevrolet	3,405	2,025	5,430		3,585	2,090	5,675	
Oldsmobile	695	2,495	3,190		725	2,525	3,250	
Pontiac	685	2,355	3,040		750	2,365	3,115	
VOLKSWAGEN OF AMERICA	1,006	0	1,006	1,006	*	*	*	*
Volkswagen Rabbit	1,006	0	1,006		*	*	*	*
TOTALS	12,518	23,252	35,770	22,577	12,268	23,200	35,468	22,507
Minus Intercorporate Duals				897				735
NET DEALERS				21,680				21,772*

*—Volkswagen was included in the Automotive News Imported-Car Dealer Census for Jan. 1, 1981. If VW had been included in the domestic total at that time, the domestic total would have been 22,672 on Jan. 1, 1981.

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Year-end franchise totals were Chrysler, 2,639; Plymouth, 2,537; Dodge, 2,453, and Imperial, 421.

In addition to its 3,684 car dealerships, Chrysler Corp. has nine that handle only Dodge trucks. They are not included in the corporation's car-dealership total or in the Dodge car-franchise total.

For Ford Motor Co., each quarter of 1981 showed a smaller loss in outlets than the corresponding period of 1981. The quarterly dips last year were 63-78-100-35, compared with the year-earlier figures of 97-234-181-41.

For the year, Ford's decline was 276 vs. 553 in 1980. Ford Motor had 5,685 car dealers at the beginning of 1982, down from 5,961 as 1981 began.

Franchise totals for Jan. 1, 1982, were Ford, 4,834; Mercury, 2,663, and Lincoln, 1,465.

There are 94 dealerships that handle only Ford heavy-duty trucks. They are not included in the company's car-dealership figure or in Ford Division's car-dealership count.

General Motors had a decline of 405 car dealerships during 1981. Its year-end total was 10,655, down from 11,060 at the beginning of the year.

By quarter, GM's dips were 55-80-120-150. In 1980, GM had a decline of 365 outlets on quarterly downturns of 30-155-105-75.

Franchise totals for the GM makes at the beginning of this year were Chevrolet, 5,430; Oldsmobile, 3,190; Pontiac, 3,040; Buick, 2,950, and Cadillac, 1,595.

American Motors had a lighter loss than any of the Big Three last year, but its dip of 116 outlets was three times as heavy as its 1980 decline of 38. Quarterly declines for AMC in 1981 were 17-11-43-45. The dealer count was 1,547 on Jan. 1, compared with 1,663 a year earlier.

AMC had 737 duals with Big Three makes of cars at the beginning of 1982 (a couple also have VW), compared with 706 a year ago. AMC also is twinned with Volkswagen in 38 other stores.

As noted Volkswagen fared best of the domestic manufacturers in dealer retention last year. It was down only 12, to 1,006 from 1,018 at the beginning of 1981. VW has an estimated 76 duals with Big Three makes plus the 38 with AMC.

In the table accompanying this article, all AMC and VW dealerships are listed under the heading "Exclusives within corporation." This is because each company produces only one line of domestic cars.

Both AMC and VW have many duals with each other and with Big Three makes (as detailed above). AMC also has hundreds of duals with Renault, and VW has 226 with Porsche and Audi and about 300 more with other imports. But looking only at their domestic products, all AMC and VW outlets are exclusives within their own corporations.

The same explanation applies to the Big Three exclusives. They may also handle a line produced by another domestic corporation or they may handle an import, but "exclusive" means they carry only one line of domestic cars manufactured by their corporation.

Option bargains on Rabbits and pickups

VW begins its Black Tie discounts

By Joseph Bohn
Marketing Editor

Volkswagen's new "Black Tie" celebration, with specially equipped and discounted Rabbits and pickups featured alongside the new Quantum and Scirroco, begins today (Feb. 22).

It will dominate VW advertising to April and include a big multi-media effort in TV, newspaper and magazine, as well as a big direct-mail program, full in-dealership merchandising kits and trip contests for sales managers and salespeople.

The promotion is an effort to set VW apart from competitors who are simply offering big discounts and rebates, said Charles R. Hughes, newly named manager, VW marketing services. Hughes, former manager, Porsche Audi marketing, handles VW advertising and used car merchandising and auto shows.

"We wanted to inject some positiveness . . . some good news to intrigue the consumer . . . to offer more than just another rebate," Hughes said.

VW is offering factory-paid rebates of $350 on the Rabbit and pickup. But they won't be part of the national ad program. And rebate Rabbits and pickups won't be eligible for the Black Tie packages.

Black Tie models will offer various extra cost items, such as five-speed manual, larger tires and rims, special black bumpers and interior items and trim, for $200 on a package valued at $350. There are some small equipment variances between the Rabbit and pickup models.

Ads kick off in TV and newspaper Feb. 22. TV consists of network and spot. An average of 150 Gross Rating Points of network will run each week, with variances, backed by 200 GRPs of spot in 42 markets, Hughes said.

• Newspaper on Feb. 22 will run with full-page ads in 62 markets, plus a followup Wall Street Journal ad Feb. 26 and two smaller ads running in limited markets the weeks of March 1 and March 8.

Additionally, early-March editions of Time, Newsweek, U. S. News, Sports Illustrated and New Yorker will carry black-and-white pages.

VW will supplement its advertising with a direct mailing to one million VW owners, featuring the full line of its vehicles, as well as Black Tie models.

And dealers will receive full merchandising kits, such as window banners, car toppers, and even new price stickers on Black Tie models.

"The dealers are enthused," said Hughes, who was holding meetings last week. "And we want to get the public enthused with our celebration of new models and limited edition models."

VW is running a sales managers contest from Feb. 11 to April 30, in which 150 trips for two will be awarded to Maui, Hawaii, for a five-day/four night stay. Sales managers will compete in groups based on unit sales objectives.

At the same time, VW is also running a contest for salespeople in which 300 trips will be awarded for Caribbean cruises, based on group competition toward unit objectives.

Doyle Dane Bernbach, New York, is VW's agency.

Industry sales in January up 7.5 percent

Franchised dealers and factory outlets in the U. S. retailed 179,085 new trucks of all types in January, an increase of 7.5 percent over the year-earlier 166,579, according to preliminary reports.

Sales were up in two of the three market segments for the first month of 1982—the lights and heavies — and were down sharply in the medium category.

In January, dealers retailed 163,662 light trucks — including 17,650 non - captive Japanese compact pickups—an increase of 10.8 percent over the previous year's 147,699. The 1981 total included 17,598 Japanese units.

Sales of heavy trucks during the month were 3.9 percent higher than last year, rising from 12,043 to 12,507 units.

Mediums dropped from 6,837 sales in the first month of 1981 to only 2,916 units this year, a decline of 57.3 percent.

January sales were higher in all three light-truck classes and Class 7 of the heavy segment. They were down in two of the three medium classes—five and six—and in the heavy's Class 8. There were no sales in Class 4 this year or last.

Sales of compact pickups during the month, domestic and imports, totaled 44,871 units, a

Continued on Page 28, Col. 5

Kaine to be keynoter at fleet-chief parley

CHICAGO. — J. Patrick Kaine, president, International Harvester's Truck Group, will deliver the keynote address at the Private Truck Council of America's 43rd annual meeting at the downtown Hyatt Regency Hotel here April 14.

Reece Taylor, Interstate Commerce Commission chairman, will be the featured speaker at the three-day meeting for managers of private fleets.

Holmes mounts wrecker on IVECO chassis

A Holmes Commander Model 1200 fully hydraulic wrecker is being mounted on an Italian-built IVECO Z-100 diesel-powered chassis for recovering and towing cars and light trucks. The engine is a five-cylinder, air-cooled Deutz diesel. The wrecker unit, with a basic power capacity rating of seven tons, features two five-ton winches designed and manufactured by Holmes.

Rockwell reorganizes field sales, marketing

TROY, Mich. — A new approach, designed to improve service to North American fleet and dealer customers, is under way at Rockwell International's Automotive Operations.

"Our goal is to develop closer contacts and better working relationships with our customers, and to provide better and faster response to customer needs," said James F. Lambert, vice president of Rockwell's recently reorganized North American field sales and marketing organization.

"We plan to accomplish this through a new regional arrangement which places customer-service management and decision-making in the field, closer to truck fleets and dealers and not at the home office," he said.

He added that while regionalization is not a new term to the industry, Rockwell's approach to the concept is a complete change from the way it traditionally dealt with this important customer group.

"In the past, the field sales and service teams functioned independently, reporting to separate management groups based in Troy," said Halden L. Booth, newly appointed director of field operations.

"Under the new arrangement," he said, "we are establishing six regional offices, each headed by a regional manager with direct

Continued on Page 138, Col. 5

Record '81 production tops previous high by 25 pct.

Toyota truck-bed output peaks

TORRANCE, Calif.—A shift to the "just-in-time" system of parts supply and the results of a $25 million expansion and improvement program helped Toyota's California truck bed plant set a production record in 1981, according to Toyota Motor Sales, U.S.A., Inc.

The plant and its more than 400 employes produced about 130,000 Toyota pickup-truck beds during the year, an increase of nearly 25 percent over the previous high set in 1979.

The expansion and improvement program, completed in late 1980, increased the plant's production area by about 50 percent, bringing total production area to about 300,000 square feet and Toyota's total investment in the facility to more than $50 million.

"The program increased assembly-line automation and efficiency," said Donald V. Haller, general manager of Toyota Motor Mfg. (TMM), U.S.A., Inc. "Paint operations also were greatly improved."

• Haller said the adaptation of the "just-in-time" method of parts supply also contributed to the increased production.

The method, basically, calls for the right number of the more than 150 separate parts used in the truck bed assembly to be delivered to the right location on the assembly line at the right time, Haller said.

The system links TMM's highly specialized production and assembly buildings to a single coordinated production schedule, he added.

"Of course our demands and requirements are on a smaller scale than a complete auto assembly plant," Haller said, "but even on a limited basis, the 'just-in-time' principle helped us eliminate the problems caused by over-inventory and allowed us to make immediate ad-

Continued on Page 138, Col. 3

Toyota's new oval tube bumper

A new oval tube bumper, designed to increase side-to-side and ground clearance over conventional box - type bumpers, is available at all of Toyota's nearly 1,100 pickup-truck dealers in the U. S. Applicable to 1980-82 model 4x2 and 4x4 compact models, the bumper is made of aluminum, is offered in black and chrome and features an integrated step grip.

truck industry news

Redesigning products to meet demand

Kenworth sees big gain in Class 8 sales in 1983

By Roger Rowand

PHOENIX. — With an eye on an upcoming revitalization of the heavy-truck market, Kenworth Truck Co. is positioning itself with a redesigned product line.

First of the newly redesigned Kenworths to be introduced late this spring will be the W900 conventional because that configuration is going to be the sales leader in the years ahead, the company said.

In 1981, some 65 percent of the trucks sold in the U. S. were conventionals, the firm noted, and Kenworth expects that share of market to grow to 80 percent by 1985 as more states go to 60-foot overall length laws.

The W900 fits neatly into the 60-foot limit with trailer lengths averaging 45 feet, said Michael O'Byrne, general manager.

The Kenworth official said his company believes retail sales of Class 8 trucks bottomed out in 1981. There will be a gradual pickup through 1982-83, but then the sales curve will turn upward dramatically, O'Byrne said.

This is the heavy-truck sales picture as seen by Kenworth:

Class 8 sales	
1981	100,000
1982	104,000
1983	139,000
1984	170,000
1985	170,000 plus

O'Byrne's remarks came here at a media conference and introduction of the W900.

Kenworth executives said the price of the W900 has not been raised. Price stability has been maintained in spite of the fact several items that were optional have been made standard and the warranty has been upgraded, they said.

For example, 100 percent coverage has been extended to 25,000 miles from 10,000 miles, and frame coverage has been increased to five years or 50,000 miles.

Kenworth now has 140 dealers and soon will have its products sold exclusively through independent dealerships. It is closing the sale of its last com-

Continued on Page 177, Col. 1

'84 debut slated for Chrysler's compact FWD van

BLOOMFIELD, Mich. — An all-new compact, front - wheel-drive van, which Chrysler Corp. has had in the works for more than a year, will be introduced as a 1984 model, according to Joseph Campana, general manager, Chrysler Truck Operations.

The vehicle, called the T115, "will fill the bill for those who want car-like ride and comfort in a seven-passenger vehicle—a vehicle that has all the features of today's full-size wagons, plus the advanced technology that offers 25 miles per gallon in fuel economy," he told the Detroit SAE Section here.

The van also will be offered as a van for commercial and recreational purposes.

Chrysler recently added two new models to its line of compact pickups—a 4x4 version of the Japanese-built Dodge Ram 50 and the domestically produced, all-new Dodge Rampage, a sporty truck based on the front - wheel - drive Omni 024 chassis.

Eaton opens sophisticated gear lab

The tiny feeler gauge of this high-precision measuring instrument can detect minute variations on the surface of gear teeth. The device is one of several sophisticated new machines at Eaton Corp.'s new truck-axle gear lab in Cleveland. It is used to design and develop high-precision gearing for quieter, longer-lasting medium and heavy-truck axles.

Redesigning products to meet demand

Kenworth sees big gain in Class 8 sales in 1983

Continued from Page 12

pany store—in St. Louis—within 90 days. Earlier this month, it sold its Omaha company-owned point.

Another phase of the truck business in which Kenworth is predicting rapid growth is leasing, O'Byrne said.

The company has a leasing arm, the one-year-old PacLease franchise operation. However, the firm does no direct leasing and offers no discount to fleet buyers.

"We've thrown our hat into the dealer's court," O'Byrne said. "You can't bypass your dealers once you've made that commitment. We sell to leasing companies only through our dealers."

Of leasing, O'Byrne said "It's a very tough business. We can hand them the package, but they've got to go out and do it."

• Fleet business has risen rapidly to 65 percent of the firm's sales in 1981 from just 30 percent in 1965, he said.

Contrary to a popular notion, Kenworth sales recently have been greater east of the Mississippi than in the West.

Its retailers are served by five warehouses in the U. S. and two in Canada. There are three manufacturing plants in the U. S., two in Canada, one in Mexico and one in Australia.

A husky 15 percent of sales are made overseas, O'Byrne said. One reason for that strength abroad is Kenworth's deep penetration in worldwide oil-field sales, he said.

Within a couple of months, PACCAR, parent of Kenworth and Peterbilt Truck Co., will open a test center in Skagit Valley, Wash., about 80 miles north of Seattle.

That facility will include a durability track, high-speed track, hills, skid pads, laboratories and 10 drive-through bays. Both truck makers will share test-center services.

Kenworth expects its spending on advertising this year to reach a record high. The kick-off for the W900 will be in March with fold-out in magazine spreads. That will be followed by the usual Kenworth testimonial advertising quoting initial purchasers or those who used prototype vehicles.

Part of this year's promotional activities will be a show-going trailer carrying the Kenworth story and a fully restored 1932 Kenworth truck.

McKenzie, Donnelson join Mitsubishi

FOUNTAIN VALLEY, Calif. —Mitsubishi Motor Sales of America, Inc., has appointed David B. McKenzie as director of service and Richard Donnelson as service training manager.

McKenzie joins MMSA after serving more than 11 years with Nissan, where he was most recently national consumer relations manager. Donnelson also comes to MMSA from Nissan, after working since 1976 in both parts and service training functions.

Auto suppliers in Detroit area get assistance

Continued from Page 174

house where business retention teams, composed of retired business executives, will contact firms and begin interviews, then follow up as requested by owners of firms accepting assistance.

7. Setting up "lending pools" to service suppliers with financial assistance and augment private lending with Small Business Administration and Industrial Revenue Bond financing.

8. Coordination with regional and state, city and township programs to expand industrial-commercial activity.

• According to Harbour, Wayne County's 1,336 automotive plants and offices employed 291,630 workers in 1978. He estimated employment currently at just over 190,000, some 101,000 or 35 percent less than four years ago.

He said auto makers in the U. S. have programs under way to substantially reduce their raw and in-process inventories.

"In the U. S. we've always been taught that mass production requires massive inventories," Harbour said. "But Japanese auto makers have all but destroyed our production system by producing 11 million vehicles with minimum inventories. They operate their mass production facilities with a minimum of two hours and a maximum of two days in-process inventory. The Japanese achieve in-process inventory turnovers in excess of 200 times a year, while the U. S. industry averages 10 a year."

Harbour said North American auto makers may not be able to reduce their in-process inventories to the same extent as the Japanese, "because our supply plants are widely dispersed and can't be easily relocated."

But he added that domestic auto makers' adoption of "just-in-time" type production systems will substantially reduce

Continued on Page 178, Col. 3

NO LEADING IMPORT IS HIGHER THAN SUBARU IN OWNER LOYALTY.

Subaru owners have a lot in common. Including the habit of trading in one Subaru for another Subaru.*

If that isn't the best endorsement any car can earn, we don't know what is.

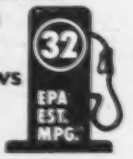
One good reason people stick with Subaru is for its day in, day out reliability. The last time Road and Track surveyed Subaru owners, they reported "... one of the most trouble-free cars we ever surveyed."**

Another reason is the wide choice of models. There's the sporty 2-door hardtop. The luxurious 4-door sedan. The versatile hatchback. And the roomy station wagon.

Every Subaru has full-time front wheel drive. In addition, three of our models — Hatchback, Station Wagon, Brat — are also available with *On Demand* Four Wheel Drive. Which is four wheel drive at the flick of a lever. Without stopping.

(Any other 4 wheeler around requires a full stop before switching. And stopping is exactly what you can't do sometimes.)

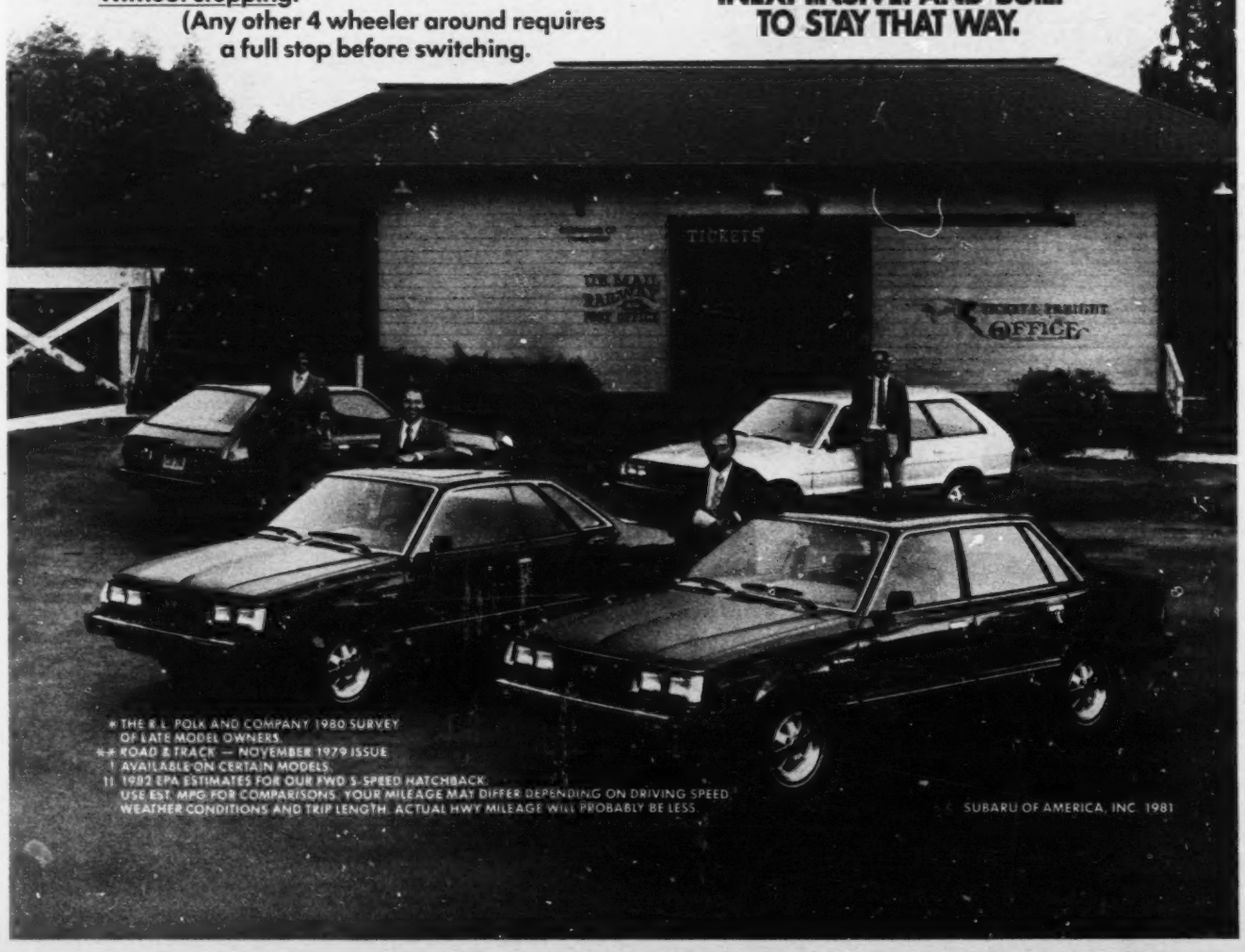
Some attractive options we offer are the Hill-Holder™ (a device on our manual transmission models† that keeps you from drifting back after stopping on steep hills), as well as power windows and power steering, AM/FM stereo, cassette deck, cruise control. All the wonderful unnecessities of driving.



Plus one huge necessity: outstanding gas mileage. Our cars are designed to squeeze every last mile out of every last drop. Year after year.

Just remember that it's quite easy to find an inexpensive car. The trick is to find one that stays that way.

SUBARU®
INEXPENSIVE. AND BUILT TO STAY THAT WAY.



* THE R. L. POLK AND COMPANY 1980 SURVEY OF LATE MODEL OWNERS.
** ROAD & TRACK — NOVEMBER 1979 ISSUE.
† AVAILABLE ON CERTAIN MODELS.
†† 1982 EPA ESTIMATES FOR OUR FWD 5-SPEED HATCHBACK. USE EST. MPG FOR COMPARISONS. YOUR MILEAGE MAY DIFFER DEPENDING ON DRIVING SPEED, WEATHER CONDITIONS AND TRIP LENGTH. ACTUAL HWY MILEAGE WILL PROBABLY BE LESS.

SUBARU OF AMERICA, INC. 1981

REGISTRATIONS OVERSEAS

UNITED KINGDOM

Cars

	12 mos., 1981	12 mos., 1980
Alfa Romeo	8,030	10,219
BL	285,071	275,798
BMW	17,086	13,451
Colt	11,209	10,273
Daihatsu	3,059	1,355
Datsun	88,209	91,893
Fiat Auto	61,977	51,299
Ford	459,365	464,706
FSO (Polski)	2,329	3,989
General Motors	127,141	133,078
Honda	15,774	22,760
Jeep	68	106
Lada	15,508	13,043
Lotus	325	348
Mazda	15,594	15,370
Mercedes-Benz	10,667	8,876
Panther	42	95
Peugeot SA	113,248	142,213
Citroen	27,395	27,006
Peugeot	17,805	24,333
Talbot	68,048	90,874
Reliant	308	682
Renault	72,041	88,343
Rolls-Royce	1,218	1,315
Saab	9,461	8,073
Skoda	8,507	7,906
Subaru	3,312	3,252
Suzuki	2,533	1,116
Toyota	23,405	34,167
VAG	80,221	68,285
Volvo	44,558	38,283
Others	4,356	3,467
Total	1,484,622	1,513,761

Trucks, Buses

BL	41,620	59,929
Daf	1,697	1,730
Daihatsu	2,754	2,536
Datsun	7,142	7,554
ERF	1,179	2,342
Fiat Auto	2,807	1,870
Foden	535	1,210
Ford	65,623	88,193
General Motors	32,624	41,371
Hestair-Dennis	519	512
Honda	4,032	3,370
IVECO	1,723	2,459
Jeep	157	147
MAN-VW	4,546	5,579
Mazda	3,881	1,751
Mercedes-Benz	5,707	5,111
Mitsubishi	2,133	1,200
Peugeot SA	12,716	17,030
Polski-Fiat	322	597
Renault	3,068	2,124
Roman	7	14
Scania	920	1,145
Seddon Atkinson	2,051	3,164
Subaru	2,067	1,229
Suzuki	2,358	1,603
Toyota	5,620	5,978
VAG	5,507	6,610
Volvo	2,894	3,436
Others	1,694	2,216
Total	217,903	272,010
Total vehicles	1,702,525	1,785,771

WEST GERMANY

	12 mos., 1981	12 mos., 1980
Alfa Romeo	13,336	14,772
BL	5,702	6,712
BMW	133,899	138,928
Daihatsu	7,740	4,454
Datsun	44,722	51,503
Fiat Auto	94,151	87,737
Ford	273,174	252,044
General Motors	381,193	411,076
Honda	35,226	43,051
Lada	6,544	5,982
Mazda	44,143	46,727
Mercedes-Benz	247,911	253,082
Mitsubishi	43,815	41,605
Nuova Innocenti	1,403	2,322
Peugeot SA	99,964	115,655
Citroen	44,594	46,891
Peugeot	27,816	33,328
Talbot	27,554	31,660
Porsche	9,602	10,525
Renault	100,701	113,995
Saab	2,794	2,746
Skoda	1,619	2,262
Subaru	2,630	.....
Suzuki	7,626	5,523
Toyota	47,214	58,893
VAG	708,307	736,109
Audi	151,144	209,741
Volkswagen	557,163	526,368
Volvo	14,200	17,065
Others	2,719	3,419
Total	2,330,335	2,426,187

SWEDEN

	12 mos., 1981	12 mos., 1980
Alfa Romeo	454	498
BMW	2,904	2,375
Daihatsu	930	715
Datsun	4,290	4,968
Fiat	2,692	4,242
Ford	21,001	16,109
Honda	3,468	4,309
Lada	3,090	3,005
Mazda	9,425	8,392
Mercedes-Benz	5,685	6,263
Mitsubishi	1,881	3
Peugeot SA	6,325	3,089
Citroen	2,316	2,113
Peugeot	2,388	3,634
Talbot	1,621	2,342
Porsche	110	97
Opel	15,894	17,409
Renault	2,335	4,559
Saab	27,333	28,223
Toyota	5,790	8,718
VAG	24,035	22,675
Volvo	49,710	50,547
Others	832	1,392
Total	188,186	192,588

JAPAN

	10 mos., 1981	10 mos., 1980
Daihatsu	66,143	75,403
Fuji	53,522	63,552
Honda	138,072	137,705
Isuzu	55,302	54,493
Mitsubishi	196,775	206,035
Nissan	667,446	696,896
Suzuki	52,672	59,223
Toyo Kogyo	182,513	163,397
Toyota	903,992	872,802
Imports	32,518	37,786
Total	2,348,955	2,369,292

Trucks, Buses

Daihatsu	197,954	159,081
Fuji	124,243	90,629
Hino	33,894	41,803
Honda	118,582	81,690
Isuzu	107,894	116,695
Mitsubishi	239,086	234,843
Nissan	284,685	285,653
Nissan Diesel	17,895	22,564
Suzuki	303,615	245,887
Toyo Kogyo	141,091	168,388
Toyota	338,913	369,711
Total	1,901,829	1,816,944
Total vehicles	4,250,784	4,186,236

FRANCE

	9 mos., 1981	9 mos., 1980
Alfa Romeo	17,574	18,925
BL	17,125	18,152
BMW	17,299	12,217
Datsun	10,535	13,200
Fiat Auto	59,388	52,446
Ford	70,905	44,387
General Motors	22,255	24,997
Honda	4,491	6,524
Lada	15,247	10,934
Mazda	8,725	10,740
Mercedes-Benz	12,259	10,721
Mitsubishi	2,173	2,368
Peugeot SA	441,360	516,128
Citroen	193,520	203,921
Peugeot	185,899	219,991
Talbot	61,941	92,216
Polski	1,166	1,004
Porsche	943	732
Renault	526,785	570,494
Saab	272	106
Skoda	2,862	909
Toyota	8,906	12,541
VAG	86,289	63,832
Volvo	7,243	5,941
Zastava	916	1,006
Others	74	90
Total	1,333,613	1,396,293

HOLLAND

	9 mos., 1981	9 mos., 1980
Alfa Romeo	3,418	4,076
American Motors	68	104
BL	5,773	7,182
BMW	9,843	9,307
Chrysler	93	64
Daihatsu	1,672	1,791
Datsun	15,251	19,424
Fiat Auto	13,970	15,484
Ford	34,853	35,024
FSO	86	187
General Motors	45,262	59,263
Honda	15,131	21,504
Hyundai	1,768	918
Lada	5,402	4,822
Mazda	15,137	14,596
Mercedes-Benz	7,132	8,158
Mitsubishi	16,027	16,650
Peugeot SA	44,276	50,849
Citroen	18,838	18,890
Peugeot	14,031	19,133
Talbot	11,407	12,826
Porsche	158	241
Renault	27,295	32,910
Saab	2,636	2,272
Skoda	301	518
Subaru	1,019	632
Suzuki	2,314	792
Toyota	15,603	23,436
VAG	31,691	32,720
Volvo	13,256	16,342
Zastava	532	528
Total	330,125	380,234

All-time high vehicle sales in Australia

Motor vehicle sales in calender year 1981 reached an all-time high for Australia.

Sales of 606,284 passenger and commercial vehicles topped the previous record established in 1976 and were 5.4 percent above 1980 figures.

Some industry analysts believe 1982 will see a further increase in sales, despite the world recession.

General Motors Holden led the industry with sales of 134,266 units, some 10,000 more than Ford. Toyota was third with 93,131 units, Nissan fourth, Mitsubishi fifth and Mazda sixth.

Nissan enjoyed its best year in Australia. The company's light-commercial vehicles recorded a 16 percent increase over its previous best year.

Australian Motor Industries, the Toyota subsidiary, is aiming to make the new Corolla Australia's top-selling small car. The new rear-drive Corolla is longer, wider and roomier than its predecessor.

Combined sales of Datsun passenger and commercial vehicles have grown from 58,200 units in 1979 to 78,500 in 1981.

The Datsun Bluebird contributed substantially to the rise, with a 32 percent rise in monthly sales during 1981. Datsun passenger car sales in 1981 equaled the firm's previous record set in 1978, with just over 56,000 units retailed by the company's distributors.

Australia's 1981 record market was a surprise in view of labor disputes which had plagued the industry. GM Holden reported there were only five days throughout the year when its operations were not affected by external industrial disputes.

Ford had consistently outsold GM, but a six-week-long strike prevented Ford from gaining market leadership for the full year.

Total Australian industrial sales of light commercial vehicles and trucks were the highest ever last year, with a 22.1 percent increase over 1980.

The nation's top-selling model was the Holden Commodore, followed by Ford Falcon, Mitsubishi Sigma, Datsun Bluebird, Holden Gemini, Ford Laser and Toyota Corona.

PRODUCTION OVERSEAS

FRANCE

	11 mos., 1981	11 mos., 1980
Peugeot SA	1,191,563	1,340,044
Citroen	486,319	497,996
Peugeot	514,666	561,488
Talbot	190,578	280,560
Renault	1,167,705	1,374,422
Total	2,359,268	2,714,466

Trucks, Buses

CBM	85	101
Peugeot SA	152,771	183,173
Citroen	41,343	44,130
Peugeot	97,490	116,332
Talbot	13,938	22,711
Renault	208,215	197,487
Sovam	116	107
Unic	7,829	16,586
Total	369,016	397,454
Total vehicles	2,728,284	3,111,920

JAPAN

	10 mos., 1981	10 mos., 1980
Daihatsu	125,292	128,669
Fuji	155,687	169,548
Honda	697,161	694,810
Isuzu	110,439	89,283
Mitsubishi	514,392	544,293
Nissan	1,542,605	1,621,117
Suzuki	79,877	71,338
Toyo Kogyo	699,951	606,408
Toyota	1,874,219	1,955,936
Total	5,799,623	5,881,402

Trucks, Buses

Daihatsu	276,595	231,360
Fuji	227,021	178,485
Hino	58,037	63,397
Honda	131,204	90,004
Isuzu	278,889	307,762
Mitsubishi	398,529	366,038
Nissan	605,305	590,666
Nissan Diesel	37,837	39,742
Suzuki	401,739	309,842
Toyo Kogyo	285,787	322,464
Toyota	823,671	842,329
Others	517	656
Total	3,525,131	3,342,745
Total vehicles	9,324,754	9,224,147

UNITED KINGDOM

	9 mos., 1981	9 mos., 1980
BL	328,353	306,252
DeLorean	3,426	.....
Ford	243,882	261,888
Lotus	243	302
Reliant	73	533
Rolls-Royce	2,217	2,334
Talbot	89,418	115,265
TVR	129	105
Vauxhall	48,267	43,992
Others	431	475
Total	716,439	731,146

Trucks, Buses

Bedford	35,318	77,564
BL	62,066	103,216
ERF	N/A	1,811
Foden	416	1,181
Ford	58,811	112,759
Hestair-Dennis	628	515
Karrier (Dodge)	6,100	13,305
MCW	493	434
Seddon Atkinson	1,045	2,740
Others	559	739
Total	165,436	314,275
Total vehicles	881,875	1,045,421

HOLLAND

	9 mos., 1981	9 mos., 1980
Volvo Car	49,720	56,233

Trucks, Buses

Bova	99	90
Daf	7,575	10,135
Den Oudsten	16	2
Ford	4,638	8,610
FTF	13	28
Ginaf	46	80
Leyland	52	56
Ram	.....	4
Scania	4,161	4,260
Terberg	191	168
Total	16,791	23,433
Total vehicles	66,511	79,666

ARGENTINA

	9 mos., 1981	9 mos., 1980
Ford	42,172	53,253
Renault	35,959	45,052
Sevel	21,841	47,397
Volkswagen	13,342	20,776
Total	113,314	166,478

Trucks, Buses

Deutz	58	81
Fiat Concord	130	721
Ford	16,409	30,170
IME	.....	2,041
Mercedes-Benz	4,880	7,227
Renault	85	88
Scania	270	651
Sevel	1,702	3,299
Volkswagen	988	3,232
Total	24,522	47,510
Total vehicles	137,836	213,988

Sales are up, profits down at Renault

Last year was the toughest since the fuel crisis of 1974, according to one of Europe's most successful car makers.

Renault was reviewing a year in which its production volume dropped by 11.8 percent from the record 2 million of 1980. At the same time it expects profits to be substantially lower than 1980's $120 million.

"The decline in volume, the intensification of competition due notably to the effects of exchange rates and a big increase in financial costs, entailed a decline in the level of results which the first quarter did not see," reports the French company.

Group sales will be around $14.6 billion, a rise of seven percent over 1980. Car division sales rose by a similar amount to around $9.1 billion. Definitive consolidated accounts will not be available until May.

Renault's worldwide production last year amounted to 1,811,626 units, with 84 percent made in France. The company reports it held its place as No. 1 French producer.

In France, Renault accounted for 40.2 percent of the private car and light commercial vehicle market (up to five tons) with 853,517 units.

Through the end of November last year, Renault claimed a leading share of the EEC (13.4 percent) and 13.5 percent of the Western Europe market as a whole.

Florida, Texas, Colorado on top

Study rates states' business climates

CHICAGO. — Florida, Texas and Colorado — in that order — head the list of states with the best general manufacturing business climates among the 48 contiguous United States in 1981, according to a study by Alexander Grant & Co., an accounting firm based here.

The other seven states in the top 10, in order, are Kansas, North Dakota, Mississippi, New Mexico, Arizona, Louisiana and Georgia.

Of the 10 top states, eight are in the south or southwestern areas of the U. S. The bottom three states were Rhode Island, New York and West Virginia.

Grant's study, done in cooperation with the Conference of State Manufacturers' Assns. (COSMA), was an expanded update of similar studies conducted in 1979 and 1980. The 1981 study departed from the previous two in the number of factors covered and in the methods in which they were weighed.

The 1981 study examined 22 factors in five categories: State and local government fiscal policies; state-regulated employment costs; labor costs; availability and productivity of labor force; other manufacturing related issues.

• Here is a summary, by category, of the 22 factors and the states ranked by Alexander Grant & Co. as having the best score and the worst score for each factor:

State and local taxes per $1,000 of personal income — Indiana, best; New York, worst.

Percentage change over three years in state and local taxes per $1,000 of personal income — California, best; New Mexico, worst.

State and local government general expenditure growth over three years versus state and local government general revenue growth over three years — Delaware, best; Kentucky, worst.

State and local government debt per capita—Idaho, best; Nebraska, worst.

State and local government public welfare expenditure per capita — Arizona, best; New York, worst.

Average unemployment compensation benefits paid per covered worker per year — Texas, best; New Jersey, worst.

Net worth of state unemployment compensation trust fund per covered worker—Wyoming, best; Connecticut, worst.

Maximum weekly payment for temporary total disability under workers' compensation insurance — Mississippi, best; Iowa, worst.

Average workers' compensation insurance rate, per $100 of payroll, of selected manufacturing occupations—North Dakota, best; Michigan, worst.

Annual average hourly manufacturing wage — North Carolina, best; Michigan, worst.

Percentage change over three years in annual average hourly manufacturing wage — North Dakota, best; Oklahoma, worst.

Non-agricultural labor union membership per 100 non-agricultural workers—North Carolina, best; New York, worst.

Percentage change over two years in non-agricultural labor union membership per 100 non-agricultural workers — New Mexico, best; North Dakota, worst.

Vocational education enrollment as a percentage of population—Arizona, best; South Carolina, worst.

Percentage of population 18 years old and over who have completed four years of high school—Utah, best; Mississippi, worst.

Average percent of estimated non-agricultural working time lost due to work stoppages over two years — South Carolina, best; West Virginia, worst.

Value added by manufacturing employes per dollar of production payroll — Louisiana, best; Michigan, worst.

Annual average hours worked per week—Montana, best, Idaho, worst.

Fuel and electric energy costs per million BTUs for manufacturers—Louisiana, best; Connecticut, worst.

State expenditure on environmental control as a percentage of total state expenditures — Louisiana, best; Ohio, worst.

Population density per square mile—New Jersey, best; Wyoming, worst.

Absolute change in population over three years—California, best; New York, worst.

1981 BUSINESS CLIMATE
As assessed by Alexander Grant & Co.

Rank	State	Business Climate Score
1	Florida	82
2	Texas	77
3	Colorado	73
4	Kansas	69
5	North Dakota	68
6	Mississippi	67
7	New Mexico	67
8	Arizona	67
9	Louisiana	66
10	Georgia	66
11	South Dakota	65
12	Tennessee	65
13	Nevada	62
14	Idaho	62
15	Nebraska	61
16	Oklahoma	61
17	North Carolina	61
18	Virginia	60
19	Missouri	60
20	South Carolina	59
21	Arkansas	59
22	Wyoming	58
23	Utah	58
24	New Hampshire	57
25	Indiana	54
26	California	53
27	Alabama	51
28	Montana	47
29	Maryland	47
30	Vermont	42
31	Wisconsin	42
32	Minnesota	40
33	Iowa	40
34	Ohio	38
35	Delaware	37
36	Oregon	37
37	Washington	34
38	New Jersey	33
39	Kentucky	33
40	Maine	32
41	Massachusetts	32
42	Connecticut	31
43	Illinois	27
44	Pennsylvania	25
45	Michigan	23
46	Rhode Island	23
47	New York	18
48	West Virginia	12

California data analyzed

Bad drivers kill more, study shows

SACRAMENTO. — The California Department of Motor Vehicles has concluded that people with bad driving records, including those with a high disregard for traffic regulations, are more apt to be involved in fatal accidents than those with blemish-free records.

DMV Director Doris V. Alexis said that "we began an intensive study to determine whether fatal accidents for individuals can be predicted. We found that only bad drivers, as a class, are more likely to be involved in a fatal accident and a higher frequency of fatal accidents can be predicted for this class, when compared with the general driving public."

The study report, by Marilee Garretson and Raymond C. Peck, of the agency's Research and Development Office, used statistics taken from a data base of 1970-1971 fatal-accident drivers.

Ronald Coppin, chief of the office, explained that DMV decided to analyze the data in greater scope and depth than originally planned "because of the recent increased public and legislative concern over fatal accidents caused by alcohol."

"The major conclusion," Coppin added, "was that drivers involved in fatal accidents are different than the driving population in general and that primary difference rests in prior violations. Such drivers have a considerable disregard for traffic laws in general."

• Males and females, the report asserted, tend to become involved in fatal accidents due to different types of driving errors.

"The males," according to Peck and Garretson, "had more violations and accidents of all types and also had received DMV licensing actions more often than females. The men were older and tended to be more often in possession of conditional or invalid licenses."

The most common violations of the male drivers were speeding, passing or overtaking, incorrect reading of signs or signals and equipment violations. Men also had more often been drinking, were traveling at higher speeds when the accident occurred and died more often as the result of the accident.

Females tended to accumulate primarily speeding and sign and signal violations and, more often than males, had not granted the right of way to other drivers.

Drivers who had been drinking prior to the accident, who were considered at fault for the accident, or whose accidents had occurred at night had worse prior driving records than other drivers involved in fatal accidents.

Also, drivers with a previous history of major violations, such as drunk and reckless driving, were more likely to have fatal accidents at night and fatal accidents involving alcohol.

The study involved a sample of 3,473 fatal-accident-involved drivers, obtained from accident reports submitted to the California Highway Patrol, and a comparison group of 3,487 drivers taken from the state's driving population.

Notchback headed for U. S.

Mitsubishi is to begin exporting its new notchback Mirage to the U. S. this summer. Built off the same platform as the hatchback Colt and Champ sold by Chrysler Corp. dealers, the new sedan has an overhang 8.9 inches longer for the trunk. Overall length is 161.6 inches.

Mitsubishi adds sedan, cylinder cutoff and turbo

TOKYO. — Mitsubishi Motors Corp. has facelifted its Mirage hatchback, added a sedan to the lineup and introduced two powertrain twists: Cylinder cutoff and turbocharger.

The new models are likely to be exported this summer. Although MMC is supplying four-door versions of the hatchback to Chrysler Corp., an MMC spokesman here emphasized there are as yet no firm plans to send the new models to Chrysler.

The implication is that the new sedans will be sold through Mitsubishi's own dealer network that is to be in place for the 1983 model year.

The cylinder cutoff system is said to improve fuel consumption 25 percent in Japan's 10-mode city cycle.

An electro-hydraulic system cuts two of the four cylinders at low speeds. The system consists of a number of sensors, an electronic controller, a special idling circuit, a hydraulic pump and hydraulic actuators built into the rocker arms of cylinders number 1 and 4.

The sensors detect inlet manifold pressure, water temperature, the gear in use and engine and road speed. The engine is converted to two-cylinder operation at speeds below 43 MPH on deceleration and during idling.

• In the end of each rocker for No. 1 and 4 cylinders is a plunger.

Normally, this plunger is held rigidly against a shoulder. However, when the two-cylinder operation is instigated, the hydraulic cylinder in the rocker pushes a forked plate forward so that the plunger can move up and down inside the rocker end and the valve is not operated.

MMC claims an improvement in fuel consumption to 47 MPG on the Japanese 10-mode city cycle, against 37 MPG for the normal engine. At a steady 37 MPH, the mileage is quoted as 70 MPG against 61 MPG for the standard unit.

Only the three-door, 1.4-liter hatchback will be available with turbocharger. Power output is boosted from 82 to 105 bhp at 5,500 RPM.

All the models in the expanded Mirage range have a new sloping front grille and plastic bumpers and a revised interior.

Basic dimensions of the front-wheel-drive cars remain the same. The four-door notchback versions, however, have a rear overhang 8.9 inches longer to provide for a trunk.

Thus, the overall length of the sedan is 161.6 inches, almost the same as the new Nissan Sunny (to be called the Sentra in the U. S.) and the Honda Ballade.

The rear seat is split and folds forward to give the carrying capacity of a hatchback.

Webber elected

PAWTUCKET, R. I. — Christine M. Webber, vice president and secretary of Webber Chevrolet Co., West Warwick, has been elected a corporator of the Pawtucket Institution for Savings.

Turbo Mirage unveiled

The facelifted Mitsubishi Mirage three-door hatchback is offered with a turbocharger that boosts power from the 1.4-liter engine from 82 to 105 BHP. The new Mirage line is expected to be sold in the U. S. only by Mitsubishi's own dealers, not by Chrysler dealers.

Australian unit to get practical evaluations

Makers support orbital engines

BULCATTA, Australia. — It is nearly 10 years since West Australian inventor Ralph Sarich hit the headlines with his award-winning orbital engine design, but the promise has not died.

The 42-year-old self-taught engineer has completed a tour of European, Japanese and U. S. car firms, demonstrating the latest version of his unique engine.

He said that of the 16 companies visited, nine have signed letters which commit them to undertake a practical evaluation of the design. He is selling experimental prototypes at prices up to $1 million a unit, to help cover developmental costs.

Sarich owns half of the company, Orbital Engines, which has $20 million backing from one of Australia's largest public companies, BHP. BHP executives have followed his progress closely, and some accompanied Sarich on his recent tour of major car firms.

Other than the engine, Orbital Engines is working on a number of Sarich ideas.

One is a light-weight, simplified fuel-injection system, small enough to hold in the palm of the hand. Sarich designed it to overcome carburetor problems experienced with the orbital engine, but found that it worked extremely well with conventional piston engines. Fuel savings of 15 percent are claimed, as well as reduced emission levels.

BHP recently announced that it will inject a further $3 million in the Orbital Engines company, which also receives government grants.

Some 15 prototype orbital engines have been built since 1972. The latest, a five-chamber, two-liter design, is claimed to be half the weight of a 2-liter piston engine but to develop more power. Lower exhaust emissions, especially NOx, are claimed.

The design is not perfect.

"We know the engine's shortfalls," Sarich has said. "But we also know its benefits, and the reactions we have had from overseas engineers shows they can see benefits, too."

The original Sarich engine, a 3.5-liter, seven-chamber orbital unit, proved controversial, receiving both high praise and criticism from eminent automotive engineers.

Sarich said the latest prototypes exceed the tough Australian exhaust emission laws and produce superior fuel economy when subject to the Australian 2077 checks.

He said fuel efficiency is currently 15 percent higher than a piston engine but that will rise to 40 percent with further developments. Significant improvements in sealing and combustion have been achieved since the first prototype.

Orbital Engines now works out of ultra-modern facilities in this Perth suburb, with a full-time staff of 60. It is also engaged in government research and development work.

TOP CARS

U. S. registrations for the first 11 months of 1981. Registrations not available for Oklahoma, delayed for Iowa.

1981 Pos.		Make	1980	Pos.
1—	1,339,134	Chevrolet	1,596,349	— 1
2—	912,769	Ford	961,699	— 2
3—	769,586	Oldsmobile	739,369	— 3
4—	663,662	Buick	647,989	— 4
5—	525,761	Toyota	518,865	— 6
6—	511,997	Pontiac	564,520	— 5
7—	417,394	Datsun	472,003	— 7
8—	338,609	Honda	320,924	— 8
9—	317,646	Mercury	294,952	— 9
10—	313,822	Plymouth	210,738	—12
11—	288,856	Dodge	224,811	—11
12—	214,852	Volkswagen	236,192	—10
13—	202,669	Cadillac	193,494	—13
14—	159,618	Mazda	143,737	—14
15—	131,450	Subaru	115,105	—17
16—	123,819	AMC	138,776	—15
17—	81,766	Chrysler	126,276	—16
18—	59,343	Volvo	49,999	—21
19—	56,028	Lincoln	66,263	—18
20—	53,501	Mercedes	.....	
21—	43,966	Audi		
22—	39,746	Colt	47,335	—22
		Fiesta	63,169	—19
		Champ	51,965	—20
	263,158	Other Imports	262,141	
	3,247	Misc. Domestic	3,445	
	7,832,399	Total	8,050,116	

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.

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Derrick celebrates silver anniversary

NADA Secretary-elect H. E. Derrick Jr., center, president of Lexington Motor Sales, Inc., Lexington, Va., was recognized for more than a quarter-century of service as a Pontiac dealer. Presenting him with a plaque are W. E. Enockson, left, zone manager, and Julie Jones, district manager. An NADA director since 1978, Derrick has served as president of the Virginia Automobile Dealers Assn., chairman of the Pontiac National Dealer Council and is now a member of the GMC Zone Dealer Council.

FTC is asked to drop charges in antiknock case

WASHINGTON. — The four major producers of lead-based antiknock compounds in gasoline have asked the FTC to throw out an antitrust violation against them for price signaling, on the grounds it is common industry practice and violates their First Amendments rights.

At a hearing here, representatives from Ethyl Corp., PPG Industries, Nalco Chemical and E.I. du Pont de Nemours & Co., asserted that if what they did was outlawed, American business would have to change many of its common practices.

"Any action to prohibit industry from releasing pricing information to the news media raises serious First Amendment questions and may conflict with corporate obligations to disclose such information to investors," they said.

The FTC last year accused the firms of violating antitrust laws by signaling price changes to each other. In August, an FTC administrative law judge forbade the firms from:

1. Announcing price changes before their effective date.
2. Using a pricing formula that systematically matches a competitor's price.
3. Providing sales information to any of its competitors except in connection with a legitimate sale between them, and
4. Using "most-favored-nation" clauses in contracts.

The judge's orders do not go into effect until the firms have exhausted all their appeals.

New Opel Rekord now scheduled as an '87 model

BERLIN. — A new Opel Rekord, originally scheduled to go into production in the fall of 1983 as a 1984 model, has been delayed rather than canceled, as Automotive News reported earlier (Feb. 1).

The Rekord, German sources say, will be facelifted for 1983, with a new front, rear and interior. Mechanicals will be unchanged.

The all-new Rekord has been pushed back from production startup in the fall of 1983 to the fall of 1986, as a 1987 model. It is unclear whether it will have front-wheel or rear-wheel drive.

Opel plans to facelift its prestige models, Senator and Monza, for 1984. One or two years later, the independent rear suspension from those models could be adapted to the Rekord.

November total is poorest since 1974

Car registrations dip to 1981 low

By Jenny L. King
Staff Writer

U. S. new-car registrations in November reflected a weak domestic market as the total slipped to its lowest level for the month since 1974 as well as its lowest point for any month in 1981, according to figures compiled by R. L. Polk & Co.

New-car registrations for November totaled 613,740, down 6.20 percent from 654,330 the preceding month, and down

Table on Page 136

15.89 percent from 729,719 a year earlier.

The record for the month is 946,917, posted in 1972.

Though down in actual numbers, imports increased their share of the soft market, climbing to 27.57 percent from 25.61 percent a year earlier. Import registrations totaled 169,227, down 9.44 percent from 186,869 in November of 1980.

Registrations of new domestic-built cars numbered 444,513 for the month, down 5.81 percent from 471,920 in October, and down 18.11 percent from

Continued on Page 136, Col. 1

NEW-CAR MARKET SHARES IN U. S.

	NOVEMBER					ELEVEN MONTHS				
	Regis., Nov., 1981	Percent Share of Market	Regis., Nov., 1980	Percent Share of Market	Pct. Pt. Change '81 vs. '80	Regis., 11 mos., 1981	Percent Share of Market	Regis., 11 mos., 1980	Percent Share of Market	Pct. Pt. Change '81 vs. '80
Chevrolet	100,493	16.37	141,369	19.37	— 3.00	1,339,134	17.10	1,596,349	19.83	— 2.73
Ford	72,594	11.83	89,215	12.23	— 0.40	912,769	11.65	961,699	11.95	— 0.30
Oldsmobile	61,445	10.01	71,511	9.80	+ 0.21	769,586	9.82	739,369	9.18	+ 0.64
Buick	56,375	9.19	65,876	9.03	+ 0.16	663,662	8.47	647,989	8.05	+ 0.42
Pontiac	37,213	6.06	53,490	7.33	— 1.27	511,997	6.54	564,520	7.01	— 0.47
Mercury	27,515	4.48	29,586	4.05	+ 0.43	317,646	4.06	294,952	3.66	+ 0.40
Dodge	22,571	3.68	20,845	2.86	+ 0.82	288,856	3.69	224,811	2.79	+ 0.90
Plymouth	22,161	3.61	20,115	2.76	+ 0.85	313,822	4.01	210,738	2.62	+ 1.39
Cadillac	20,614	3.36	19,735	2.70	+ 0.66	202,669	2.59	193,494	2.40	+ 0.19
AMC	9,249	1.51	12,782	1.75	— 0.24	123,819	1.58	138,776	1.72	— 0.14
Chrysler	7,809	1.27	11,960	1.64	— 0.37	81,766	1.04	126,276	1.57	— 0.53
Lincoln	6,102	1.00	6,068	0.83	+ 0.17	56,028	0.71	66,263	0.82	— 0.11
GENERAL MOTORS	276,141	44.99	351,981	48.23	— 3.24	3,487,048	44.52	3,741,721	46.47	— 0.05
FORD MOTOR CO.	106,211	17.31	124,869	17.11	+ 0.20	1,286,443	16.42	1,322,914	16.43	— 0.01
CHRYSLER CORP.	52,541	8.56	52,920	7.26	+ 1.30	684,444	8.74	561,825	6.98	+ 1.76
AMERICAN MOTORS	9,249	1.51	12,782	1.75	— 0.24	123,819	1.58	138,776	1.72	— 0.14
IMPORTS	169,227	27.57	186,869	25.61	+ 1.96	2,247,398	28.70	2,281,435	28.34	+ 0.36
MISCELLANEOUS	371	0.06	298	0.04	+ 0.02	3,247	0.04	3,445	0.04	—
TOTAL	613,740		729,719			7,832,399		8,050,116		

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Registrations for Oklahoma not available; delayed for Iowa.

Texas town finds car sales run ahead of other years

By Jess F. Blair
Staff Correspondent

BIG SPRINGS, Tex.—Despite depressed car sales in other parts of the country, both cars and trucks are moving more rapidly here than they have in several years.

Jack Lewis, Jack Lewis Buick and Cadillac, said that his sales were up 20 percent over this time last year, and he expects the trend to continue. He said larger cars were selling well.

Sales at Highland South Pontiac-Datsun are "fantastic" after a slow period, according to Bill Lassater, sales manager. Used cars are selling very well and at present are the most profitable department.

Gary Galloway, sales manager at Mesa Valley Toyota, said sales were up 15 to 20 percent from last year.

Two dealers who sell a large number of pickups and trucks in the area report a real boom in such sales. Bert Hilger, sales manager at Bob Brock Ford, said that 65 to 70 percent of sales were in pickups and trucks, with most of the pickups being sold to farmers who made a bumper cotton crop in 1981. Oil-drilling activity has also increased truck and pickup sales.

Larger cars such as the LTD and Grand Marquis are selling better than in the past, Hilger said.

At Pollard Chevrolet sales were higher in 1981 than ever before, reported Sales Manager Tony Ginnetti, with pickups and trucks outselling cars by three to one. He said small-car sales were down but mid-size and full-size car sales have taken up the slack. The company is now considering an expansion of the car lots.

Big cars are also selling better at Shroyer Motor Co., according to Sonny Shroyer, with the Oldsmobile 98 and 88 and Cutlass models doing well. People are buying the larger cars for safety reasons, Shroyer said, not just because the newer models are getting improved gasoline mileage.

Hutt leaves Gilmore

KALAMAZOO, Mich. — Hilbert Hutt, executive vice president and general manager of Jim Gilmore Cadillac-Pontiac-Datsun has announced his retirement from the automobile dealership after nearly 20 years of service. Jim Gilmore III will assume the title of general manager.

Gilmore said, "We wish Hilbert Hutt much happiness in his retirement. He has developed a strong management team which will continue our tradition of quality product sales and service to our customers."

November total is poorest since 1974

Car registrations dip to 1981 low

Continued from Page 134

542,850 in November of 1980.

Registrations of new cars in the U. S. for the first 11 months of 1981 totaled 7,832,399, down 2.70 percent from 8,050,116 a year earlier. The domestic year-to-date figure of 5,585,001 was down 3.18 percent from 5,768,681 in 1980. Import registrations for the 11-month period were 2,247,398, down 1.49 percent from 2,281,435.

• Among the major U. S. car makers, Ford Motor Co. and Chrysler Corp. registered domestic market share gains in November, while General Motors and American Motors lost ground.

Ford accounted for 23.90 percent of the month's domestic new-car registrations, up from 23.00 percent a year earlier. Chrysler shot up to 11.82 percent from 9.75 percent. GM dipped to 62.12 percent from 64.84 percent, AMC had 2.08 percent compared with 2.35 percent and miscellaneous domestics earned 0.08 percent, up from 0.06 percent.

Of the total November market, GM earned 44.99 percent, down from 48.23 percent in 1980. Ford products accounted for 17.31 percent, up from 17.11 percent. Chrysler stood at 8.56 percent, up from 7.26 percent; AMC dropped to 1.51 percent from 1.75 percent, and the miscellaneous makes accounted for 0.06 percent compared with 0.04 percent a year earlier. Imported cars grabbed 27.57 percent of the total, up from 25.61 percent.

By size segments, subcompacts, luxury models and the imports increased their shares as the compacts, intermediates and standards were off for the month.

U. S. subcompacts progressed 1.63 percentage points, to 15.69 percent of the market from 14.06 percent a year earlier. Luxury cars climbed to 5.79 percent from 5.04 percent, and imports were up 1.96 percentage points, to 27.57 percent from 25.61 percent.

U. S. compacts slipped to 19.94 percent from 21.21 percent, intermediates were down to 20.46 percent from 23.16 percent and standards dipped 0.37 of a percentage point, to 10.55 percent from 10.92 percent.

In the domestic market alone, subcompacts accounted for 21.66 percent in November, compacts were 27.53 percent, intermediates were 28.25 percent, standards were 14.56 percent and luxury models were an even 8.00 percent.

Registrations by market class in November were: Subcompact, 96,288; compact, 122,353; intermediate, 125,592; standard, 64,722; luxury, 35,558, and imports, 169,227.

In the top-ten lineup year-to-date, Toyota skipped over Pontiac to gain fifth place, and Plymouth replaced Volkswagen as the number-ten make. In order, the best ten were: Chevrolet, Ford, Oldsmobile, Buick, Toyota, Pontiac, Datsun, Honda, Mercury and Plymouth.

Peugeot expands ski sponsorship to national level

LYNDHURST, N. J.—Peugeot Motors of America's involvement in professional skiing has been expanded to include a national final this year. The company is sponsoring the only professional downhill ski races in the U. S. this year.

Anthony Aldarelli, Peugeot's general sales manager, said the national effort, called the Peugeot Gran Prix, originally had not been in the company's game plan for this year. But when another tour was canceled, this became the "only game in town."

There will be 35 races throughout the country on this circuit, he said, adding that Peugeot's "main goal this year is to make these races the most professional anyone has run."

The company began its involvement with professional skiing several years ago. It limited its activity at first to the Northeast, and gradually expanded it to other areas of the country.

This slow growth had been expected to continue this year, Aldarelli said, but when the opportunity arose to create a national effort, the company decided to take advantage of it.

Since this is the only professional circuit, Peugeot expects it will get heavy coverage by the media, which will increase the effectiveness of Peugeot's promotional effort.

Sponsorship of sports is an effective method of promotion for auto companies, Aldarelli said. The two sports Peugeot sponsors—skiing and tennis—are especially effective because they are "social sports" and participants fit the demographics of Peugeot's buyer profile, he said.

Aldarelli said the tour final will offer the biggest purse for a single event: $10,000. The winner of each regional tour gets a car plus aggregate winnings, he said.

AUTOMOTIVE NEWS ANALYSIS OF NEW-CAR REGISTRATIONS

Based on R. L. Polk & Co. Statistical Report

November '81 vs. November '80

	1981 November	1981 Yr.	1980 November	1980 Yr.
AMC Spirit	1,911	32,485	3,359	47,358
Concord	2,603	40,346	4,068	47,290
Concord SW	1,209	13,832	1,685	15,793
Eagle 4WD	532	6,016	1,162	11,548
Eagle 4WD SW	1,797	14,860	1,239	14,595
Eagle SX4 4WD	1,197	16,280	1,269	2,192
TOTAL AMC	9,249	123,819	12,782	138,776
Chrysler LeBaron '81	829	31,986	4,892	50,385
LeBaron '81 SW	83	5,187	764	7,705
LeBaron '82 FWD	3,337	4,023		
LeBaron '82 SW FWD		1		
Cordoba	1,632	23,541	3,747	40,400
Newport	55	4,105	962	11,815
New Yorker '81	66	5,601	1,082	15,089
New Yorker '82	1,497	2,682		
Imperial	310	4,640	513	882
Total	7,809	81,766	11,960	126,276
Horizon FWD	7,719	122,437	8,934	118,860
Reliant FWD	9,895	126,888	5,486	7,793
Reliant SW FWD	4,075	48,996	1,803	2,474
Volare	43	6,689	2,809	56,844
Volare SW	2	1,386	724	13,527
Gran Fury '81	52	6,692	359	11,240
Gran Fury '82	375	734		
Total	22,161	313,822	20,115	210,738
Omni FWD	7,728	102,285	7,175	95,611
Aries FWD	8,250	97,823	3,940	5,531
Aries SW FWD	2,970	36,703	1,338	1,803
Dodge 400 FWD	1,005	1,230		
Aspen	43	5,660	2,243	43,902
Aspen SW	12	1,288	617	10,268
Diplomat	1,275	22,449	2,188	24,308
Diplomat SW	52	2,588	372	4,049
Mirada	1,152	13,867	2,114	24,451
St. Regis	84	4,963	858	14,888
Total	22,571	288,856	20,845	224,811
Total Chrysler Corp.	52,541	684,444	52,920	561,825
Escort FWD	16,383	163,127	9,793	15,272
Escort SW FWD	6,790	104,606	6,007	9,157
EXP FWD	5,294	47,519	1	1
Pinto	60	9,329	5,475	108,568
Pinto SW	12	2,754	1,975	30,875
Fairmont	9,493	134,240	18,504	190,322
Fairmont SW	1,146	43,807	5,160	66,569
Granada	7,204	92,206	8,205	76,472
Granada SW	2,545	4,221		
LTD II			44	3,155
LTD	2,935	47,132	5,394	82,415
LTD Crn. Victoria	3,491	36,200	3,473	25,586
Ford SW	1,551	17,746	1,749	22,767
Mustang	11,375	144,779	15,388	209,051
Thunderbird	4,315	65,103	7,947	121,489
Total	72,594	912,769	89,215	961,699
Lincoln Town Car	2,556	26,446	2,683	28,327
Mark VI	2,192	27,427	3,255	33,454
Versailles			130	4,482
Continental	1,354	2,155		
Total	6,102	56,028	6,068	66,263
Mercury Lynx FWD	6,174	57,419	3,022	4,518
Lynx SW FWD	2,151	30,494	1,333	1,900
LN7 FWD	1,565	15,630		1
Bobcat	7	2,114	1,110	22,183
Bobcat SW	1	484	257	4,643
Zephyr	2,785	39,953	6,129	59,253
Zephyr SW	350	10,936	1,462	17,241
Cougar	3,540	39,695	3,426	27,498
Cougar SW	1,219	2,115		
Marquis	568	7,123	916	12,813
Marquis Brougham	1,093	11,363	1,221	11,429
Grand Marquis	2,458	21,720	1,914	17,186
Marquis SW	734	6,421	577	6,574
XR7	1,760	27,019	3,542	51,314
Capri	3,110	45,154	4,677	58,399
Total	27,515	317,646	29,586	294,952
Linc. Merc. Div. Total	33,617	373,674	35,654	361,215
Total Ford Motor Co.	106,211	1,286,443	124,869	1,322,914
Buick Skyhawk			108	5,795
Skylark FWD	17,209	185,376	15,954	158,728
Century '82 FWD	51	58		
Regal/Century	22,001	296,913	31,294	293,862
Regal/Century SW	930	14,039	1,358	15,400
LeSabre	1,891	20,798	2,557	27,972
LeSabre Limited	4,122	42,675	3,830	45,360
Electra	5,348	51,091	5,978	54,459
Buick SW	896	9,698	612	8,477
Riviera FWD	3,928	43,014	4,185	37,936
Total	56,376	663,662	65,876	647,989
Cadillac deVille	8,055	90,122	7,983	89,503
Cimarron FWD	2,492	11,537		
Fleetwood & Chas.	3,132	31,792	2,725	25,578
Eldorado FWD	4,840	48,149	5,461	46,206
Seville FWD	2,095	21,069	3,566	32,207
Total	20,614	202,669	18,735	193,494
Chevrolet Chevette	16,339	327,219	29,218	344,387
Camaro	3,336	91,042	8,351	109,694
Monza	55	16,047	13,293	139,200
Cavalier FWD	10,514	48,256		
Cavalier SW FWD	2,715	15,032		
Citation FWD	23,659	278,824	28,585	342,020
Malibu	9,534	144,314	19,285	183,678
Malibu SW	3,762	52,437	4,604	56,916
Celebrity FWD	2	2		
Monte Carlo	11,643	149,911	15,415	148,798
Impala	4,723	56,719	6,162	78,653
Caprice	9,170	90,226	9,682	108,792
Chevrolet SW	3,309	41,070	3,719	50,751
Corvette	1,732	28,036	3,055	33,460
Total	100,493	1,339,134	141,369	1,596,349
Oldsmobile Starfire			105	5,562
Omega FWD	8,830	102,410	7,366	79,173
Cutlass Ciera FWD	88	103		
Cutlass Salon '81	10,685	144,591	16,208	158,098
Cutlass Sup./Calais '81	18,352	146,651	22,332	238,009
Cutlass Sup./Calais '82	9	9		
Cutlass SW	1,882	28,449	2,463	28,420
Delta 88	828	10,944	1,386	18,029
Delta Royale	8,655	115,163	9,244	101,327
98	7,981	71,769	8,000	62,771
Oldsmobile SW	1,263	15,700	1,186	15,029
Toronado FWD	2,872	33,797	3,221	32,951
Total	61,445	769,586	71,511	739,369
Pontiac T1000	4,472	48,511		
Firebird	1,924	49,898	5,591	79,159
Sunbird	65	28,156	11,465	119,653
J2000 FWD	5,419	35,904		
J2000 SW FWD	914	6,317		
Phoenix FWD	6,508	77,192	9,190	91,197
LeMans/Bonn. '82	4,631	46,658	5,178	49,562
LeMans Bonn. '82 SW	1,314	21,297	1,872	22,264
6000 FWD	20	22		
Grand Prix	8,858	118,915	11,664	106,506
Catalina	239	5,869	1,050	12,392
Bonneville '81	1,360	36,971	3,813	43,819
Bonneville Brougham	1,171	28,675	2,852	29,562
Pontiac SW	308	7,612	815	10,406
Total	37,213	511,997	53,490	564,520
TOTAL GM CORP.	276,141	3,487,048	351,981	3,741,721
(Checker)	327	2,705	267	3,159
Misc. Domestic	371	3,247	298	3,445
Domestic Station Wagon Total	43,992	560,076	43,700	438,033
Domestic Grand Total	444,513	5,585,001	542,850	5,768,681
Import Total	169,227	2,247,398	186,869	2,281,435
Grand Total All Registrations	613,740	7,832,399	729,719	8,050,116

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report. Registrations for Oklahoma not available; delayed for Iowa.

Because of GM's rebate program

Olds Firenza ads appear early

By Joseph Bohn
Marketing Editor

Oldsmobile's new Firenza ads broke a little early, Feb. 17, because of General Motors' unanticipated rebate program.

The division had to begin advertising rebates on the car, in fact, before it was even properly introduced.

But formal introduction came on TV last week via two commercials, one for the hatchback coupe, another for the four-door sedan.

Commercial messages on both are pretty much the same, although the coupe is cast in a sportier, fun-to-drive type setting, acording to John Hamill, ad manager.

TV for the coupe uses a lot of quick camera cuts in a driving situation, telling the story of a man leaving home and ending up doing a little guitar-picking with a group of people on a weekend.

"What makes a car right for the times shouldn't make it wrong for Saturday night. Introducing Firenza. It's what a small car can be when it's an Oldsmobile. Firenza. The newest, smallest Oldsmobile," says a voiceover.

The same theme carries into print.

"Introducing Firenza. It's what a small car can be when it's an Oldsmobile . . . this is the newest, smallest Oldsmobile" say single-page ads, calling attention to various standard features.

"The new Olds Firenza. Hatchback or four-door sedan. It's proof of what a small car can be when it's an Oldsmobile," the single-page ad continues.

Sixteen magazine insertions are planned for March, concentrated in mass circulation and news weekly magazines, aimed at upscale audiences.

Only the hatchback coupe is featured in the March magazine run, but Hamill said high-tech and buff books will be added as future ads get into more specifics, like the five-speed manual transmission to be offered.

Firenza will also be part of a spring newspaper run, beginning in March, which Oldsmobile is co-oping with dealers.

Within that newspaper ad, the Ciera, V-6 diesel and the GM rebates will also be featured.

The theme, "There's a lot of news from Olds today" is flexible enough to allow different adaptations to dealers' purposes.

Leo Burnett is the agency.

Used car sales
Auction Averages

February to date	$4,788
Month ago	$4,880
Year ago	$4,082

Model breakdown
Auction Averages

	February To Date	January	December
1982	$7,804	$7,432	
1981	6,654	6,435	6,424
1980	5,258	5,144	5,363
1979	4,543	5,184	4,321
1978	3,769	3,633	3,475
1977	2,785	2,857	2,590
1976	2,348	2,343	2,026
1975	1,975	1,354	1,361
Overall Average	$4,788	$4,904	$4,117

The smallest Olds

Oldsmobile is introducing Firenza in TV and magazines as its "newest, smallest Oldsmobile," setting it apart from other small cars. Sixteen single-page magazine insertions run in March, with dealer co-op newspaper also planned. Leo Burnett is the agency.

Auto auction open in Philadelphia, but with new twist

PHILADELPHIA. — A new wrinkle in car auctions was staged here by the Philadelphia Auto Auction (PAA) at its first sale. The new company sells dealers' overstock, fleet vehicles and bank repossessions, but also handles cars from private individuals.

PAA is conducting one sale a week, and officials expect to sell 100 to 150 cars per session. Auctions are conducted under near-assembly line conditions. The cars go into the company's building and in front of the auctioneer's stand. The building has been remodeled into a structure not unlike a car wash. Allen Gross, the company's auctioneer, announces the kind of car being sold and its condition if anything obvious is wrong with it. Basically, sales are as is.

A bidder must register before he can bid on the cars or even look at them. To register, buyers must pay a fee of $50, which PAA officials said may be applied to the cost of the car purchased. It will be refunded if the bidder does not make a purchase. Bidders are encouraged to register in advance and may do so by telephone.

The auction charges a flat purchase fee rather than the percentage premium common at most auctions.

factories list auction dates

American Motors

Feb. 23—Ohio Auto Auction, Columbus, O.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.

Feb. 24—Sand Mountain Auto Auction, Boaz, Ala.; Southern Auto Sales, Warehouse Pt., Conn.

Feb. 25 — Atlanta Auto Auction, Red Oak, Ga.; Golden Gate Auto Auction, Fremont, Calif.

Feb. 26 — Floyd Hauhe Auto Auction, Bridgeton, Mo.; Aptco Auto Auction, Taylor, Mich.

Ford Motor Co.

Feb. 23—South Seattle Auto Auction, 19443 77th Ave. S., Kent, Wash.

Baer Ford is sold; it's now Bear Ford

WILKES-BARRE, Pa. — Baer Ford in suburban Huntington Mills has become Bear Ford. Former owner Marguerite Baer sold the dealership to Allyn Griffith.

The dealership will be managed by Tom Piercy, who said the subtle name change was made to retain the identity of the dealership because of the Baers' excellent reputation in their 26-year ownership.

Collection adds Clenet

MIAMI, Fla.—A Clenet franchise has been given to the Collection, a Miami dealership owned by Joe DeMaria.

used-car auction directory

Display Rates: $59.00 per column inch (minimum space, 1 inch on 1 column). Listing Rates: (Maximum: Four lines of type - 1 time, $17.00; 13-times, $13.00, 26-times, $11.50, 52-times, $10.00. For Frequency Display Rates Contact Want Ad Dept., Automotive News, 965 E. Jefferson, Detroit 48207. Phone (313) 567-9520. Closing: 10 days in advance.

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NEW YORK

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COLORADO

Denver Auto Auction, 4285 South Santa Fe, Englewood, Colorado 80110. Sale every Friday, 303-761-1410, 303-761-1459.

OHIO

Ohio Auto Auction. The Tuesday sale. 3905 Jackson Pike, Columbus, Ohio. 614-871-2771.

OHIO

Wednesday Auto Auction. Exit 49 on I-270, Columbus, Ohio. Every Wednesday. Call: Area 614-497-2000.

TEXAS

Amarillo Auto Auction, Inc. 34th year. Full serv. Fleet, lease spec. Member NAAA, WAAA, D&B rated. Checks guar. 3208 E. 10th, Amarillo, TX 79104. (806) 372-2206.

WASHINGTON

Bob McConkey & Sons. So. Seattle Auto Auction, the Lease Specialist. 206-872-6800, P. O. Box 5189, Kent, WA 98031.

Use Automotive News Want Ads for Quick Action

Tops 100,000 for 1st time, but trails year-ago week

Auto production is highest of 1982

By Patricia Hoffman
Staff Writer

For the first time this year, domestic auto production reached 100,000 units, putting last week's total well above that of the previous week. All plants except seven General Motors facilities were working.

The auto makers scheduled 105,140 units last week, a gain of 41.31 percent from 74,403 the previous week due to the return of two Chrysler Corp. facilities and six Ford Motor assembly points.

The total, however, was 21.27 percent below the 133,543 cars built in the comparable 1981 week, and the year-to-date output of 512,111 units was 37.01 percent below 813,028 in the same period last year.

Seven GM facilities remained idle last week (Feb. 15), five for inventory control and two for model changeover. They were Framingham, Lordstown, South Gate, Tarrytown and Wilmington, all down for inventory adjustments, and Janesville and Oklahoma City, idle for changeover.

Operations resumed last week at Chrysler's Belvidere and Jefferson assembly points. Both facilities had been idle for inventory control since Feb. 1.

Also back were Ford's Atlanta, Dearborn, Kansas City and Wayne points, all idle since Jan. 25, and Ford's San Jose and Lorain facilities, both down since Feb. 1.

Downtime is scheduled this week at 10 GM facilities. They are: Arlington, Baltimore, Detroit, Framingham, Janesville, Lordstown, Oklahoma City, South Gate, Tarrytown and Wilmington.

Volkswagen of America's Westmoreland point begins a two-week shutdown today to reduce inventory. The facility is slated to resume operations March 8 and will be idle again for one week starting March 22. The repeated downtime is due to slumping sales of the VW Rabbit.

On March 1, GM will increase production of the Chevrolet Camaro and Pontiac Firebird from one shift to two shifts at Norwood. About 1,700 workers will be called back from indefinite layoff.

Also on March 1, GM will cut production at Lordstown from two shifts at 75 units an hour to one shift. There will be 3,400 workers put on indefinite layoff.

GM's Fremont facility will be closed March 5 when it discontinues production of the Chevrolet Celebrity and Oldsmobile Cutlass Ciera. There will be approximately 2,500 workers on indefinite layoff.

On April 2, GM will halt production of the Chevrolet Cavalier and Cadillac Cimarron at its South Gate facility, putting 2,500 workers on indefinite layoff. Assembly of those cars will be moved to Janesville, which has been idle since Jan. 18 for changeover from the Pontiac J2000 and Buick Skyhawk.

According to GM, Janesville, which currently assembles Chevrolet and GMC light-duty trucks on one line, will use the open car line to accommodate Cavalier and Cimarron production once the changeover is complete.

Japanese buy fewer imports

TOKYO. — Sales of imported cars in Japan declined 15 percent in 1981 to 38,110, according to the Japan Automobile Importers Assn. The year-earlier total had been 44,871.

For December alone, the count was 3,370, down 20 percent from 4,338 a year earlier.

Leading imports in December were: Volkswagen, 1,051; Mercedes-Benz, 565; BMW, 342; Audi, 278; BL Mini, 131, and Buick, 129.

Truck production up 15 pct.; 41,558 scheduled for week

With only one truck assembly plant idle last week, domestic truck production rose 15.11 percent above the previous week's output, and the total also was up substantially from the comparable 1981 week.

The truck makers scheduled 41,558 units last week, a gain from 36,104 the previous week, and up 26.99 percent from 32,725 the comparable week last year.

Year-to-date, the makers have finished 228,480 trucks, a 4.95 percent drop from 240,369 completed in the same period last year.

International Harvester's Ft. Wayne facility began a two-week shutdown last week (Feb. 15) for inventory control. The plant is scheduled to return March 1.

Operations resumed last week at Ford Motor's Kansas City and San Jose facilities. Both points were idle for inventory control.

Also back last week were Chrysler Corp.'s Belvidere and Warren points, which also had been down for inventory adjustments.

Volkswagen of America will halt production of pickups at its Westmoreland facility starting today (Feb. 22). The plant will be idle for two weeks, with operations slated to resume March 8. Another shutdown has been scheduled at the facility starting March 22, for one week.

VWoA reported that the repeated closings at the Westmoreland point are due to a decline in sales. The facility has been in operation only eight of the past 14 weeks.

General Motors' Lordstown (van) facility will be idle this week.

GM announced that on March 1, the Pontiac (GMC Truck & Coach) facility will reduce production of the Chevrolet and GMC light-duty utility trucks from two shifts to one shift. This will result in approximately 1,050 workers being placed on indefinite layoff.

Also at GM, the Lordstown (van) plant (Chevrolet and GMC vans), and the Janesville facility (Chevrolet and GMC light-duty trucks) will increase production from one shift to two shifts, starting April 5. Approximately 1,000 workers at each point will be called back from indefinite layoff.

Car output dips 20 pct. in Canada; GM line down

Downtime at General Motors' Oshawa (No. One) car facility and a one-day holiday closing at Volvo's Halifax point pulled last week's Canadian auto production down 20.12 percent below the previous week's output, but the year-to-date total remained ahead of the comparable 1981 period.

The auto makers targeted output last week at 13,921 units, down from 17,427 the previous week, and down 8.68 percent from 15,244 in the comparable week last year.

Year-to-date, the makers have finished 92,356 cars, a gain of 9.35 percent from 84,457 in the same period last year.

The truck manufacturers scheduled a gain last week due to the return of Ford Motor's Oakville plant. Output was estimated at 11,038 units, up 37.49 percent from 8,028 in the previous week, but the total was 9.69 percent below 12,223 in the comparable 1981 week.

So far this year, the truck makers have assembled 53,276 units, down 29.38 percent from 75,436 in last year's comparable period.

Volvo's Halifax facility was idle last Monday (Feb. 15) due to the Heritage Day holiday.

Downtime continued last week at Ford's St. Thomas car point. The facility, idle since Feb. 1, is scheduled to return today (Feb. 22).

U.S. CAR PRODUCTION

	Week Ended Feb. 20, 1982	Week Ended Feb. 21, 1981	Week Ended Feb. 13, 1982	Feb. to Date	Jan. 1 to Feb. 21, 1981	Jan. 1 to Feb. 20, 1982
AMERICAN MOTORS	1,550*	475*	1,550*	3,100*	10,890*	7,079*
Spirit	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
Eagle	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	14,400	17,430	5,805	24,276	88,206	61,181
Plymouth Total	6,300	8,630	2,656	11,359	43,765	27,110
Horizon	2,000	3,200	.....	2,000	154,000	8,153
Reliant	4,300	4,600	2,656	9,359	25,990	18,957
Caravelle	.....	80	.....	.....	348	.....
Gran Fury	.....	750	.....	.....	2,027	.....
Chrysler Total	1,500	1,750	1,103	2,604	6,583	9,396
LeBaron	1,500	1,200	1,103	2,604	4,757	9,396
Chrysler	.....	550	.....	.....	1,826	.....
Dodge Total	6,600	7,050	2,046	10,313	37,858	24,675
Omni	2,200	1,700	.....	2,200	11,793	7,386
Aries	3,700	4,100	1,724	7,091	21,902	14,103
Diplomat	.....	900	.....	.....	3,144	.....
Dodge 400	700	.....	322	1,022	.....	3,186
St. Regis	.....	350	.....	.....	1,019	.....
FORD MOTOR	27,485	28,360	7,926	42,193	165,418	83,025
Ford Division	18,623	19,484	3,027	24,406	113,748	47,286
Escort	7,201	8,213	1,757	10,439	57,714	19,928
Fairmont	3,529	1,173	.....	3,529	20,342	6,613
Must./Must. II	4,378	5,429	.....	4,378	11,999	8,689
Granada	2,196	2,965	1,270	4,741	8,794	7,976
T-Bird	1,142	.....	.....	1,142	3,025	3,670
Ford	.....	1,704	.....	.....	11,874	.....
EXP	177	.....	.....	177	.....	410
L-M Division	8,862	8,876	4,899	17,787	51,670	35,739
Mercury Total	6,799	7,546	2,481	11,718	43,866	23,185
Lynx	1,770	2,842	443	2,932	18,838	5,110
Capri	973	1,581	.....	973	3,756	1,993
Zephyr	1,250	323	.....	1,250	6,205	2,722
Cougar	997	1,503	730	2,436	4,049	4,479
XR-7	471	.....	.....	471	1,645	1,208
Mercury	1,294	1,297	1,308	3,612	9,373	7,547
LN7	44	.....	.....	44	.....	126
Lincoln Total	2,063	1,330	2,418	6,069	7,804	12,554
Continental ('82)	413	.....	483	1,215	.....	3,040
Lincoln	833	682	980	2,519	3,594	5,030
Mark VI	817	648	955	2,335	4,210	4,484
GENERAL MOTORS	58,040	83,042	55,587	151,554	522,921	342,821
Buick Division	15,898	20,322	16,142	41,363	125,479	84,841
Skylark	2,490	5,927	3,045	6,812	36,277	11,267
Skyhawk J	2,348	.....	2,091	6,309	.....	9,590
Century	2,665	3,774	2,628	7,898	24,200	16,554
Regal	4,800	5,322	4,773	10,387	33,039	21,971
Buick	3,175	3,770	3,193	9,125	23,438	22,440
Riviera	420	1,529	412	832	8,525	3,019
Cadillac Division	5,730	6,646	5,476	13,613	43,728	33,725
Cimarron	.....	.....	.....	.....	.....	493
Seville	545	890	511	1,056	4,870	2,419
Eldorado	1,585	1,505	1,510	3,095	9,571	7,347
Cadillac	3,600	4,251	3,455	9,462	29,287	23,466
Chevrolet Division	12,305	29,870	9,728	29,859	184,158	82,016
Chevettes	1,725	9,030	.....	1,725	33,580	5,058
Cavalier	.....	.....	.....	.....	.....	13,469
Celebrity	645	.....	621	2,022	.....	5,659
Camaro	4,120	6,320	3,705	11,583	19,140	24,460
Citation	.....	6,832	.....	.....	45,567	11,144
Malibu	3,255	4,975	2,742	7,202	33,076	9,317
Monte Carlo	1,540	1,913	1,633	4,381	18,869	6,334
Chevrolet	420	.....	421	1,273	28,554	2,545
Corvette	600	800	606	1,673	5,372	4,030
Oldsmobile Division	18,353	18,779	18,207	50,603	127,114	101,371
Omega	1,460	3,344	1,430	4,028	20,833	8,929
Firenza	2,348	.....	2,499	6,309	.....	15,841
Cutlass	4,800	8,744	4,738	13,406	62,055	22,386
Cutlass/Ciera	3,290	.....	3,051	9,112	.....	12,397
Oldsmobile	5,405	5,530	5,498	15,707	37,539	37,134
Toronado	1,050	1,161	991	2,041	6,687	4,684
Pontiac Division	5,754	7,425	6,034	16,116	42,442	40,868
Acadiant †	.....	250	.....	.....	1,203	.....
J2000	.....	.....	.....	.....	.....	1,838
T1000	115	.....	.....	115	.....	355
Firebird	2,359	920	2,193	6,721	7,401	13,494
Phoenix	.....	2,835	578	578	16,287	3,509
Grand Prix	1,640	2,400	1,667	4,441	9,380	10,879
Bonneville ('82)	1,640	.....	1,596	4,261	.....	10,793
A6000	.....	.....	.....	.....	.....	.....
LeMans	.....	880	.....	.....	5,739	.....
Pontiac	.....	140	.....	.....	2,432	.....
VOLKSWAGEN	3,565	4,160	3,435	10,509	25,347	17,505
CHECKER	100*	76	100*	300*	246	500*
Total Cars, U.S.	105,140	133,543	74,403	231,932	813,028	512,111

CANADIAN CAR PRODUCTION

	Week Ended Feb. 20, 1982	Week Ended Feb. 21, 1981	Week Ended Feb. 13, 1982	Feb. to Date	Jan. 1 to Feb. 21, 1981	Jan. 1 to Feb. 20, 1982
AMERICAN MOTORS	600	600	610	1,751	4,165	3,140
CHRYSLER CORP.	3,200	.....	3,870	9,333	1,732	22,470
FORD MOTOR	3,741	1,558	3,601	7,657	7,715	19,312
GENERAL MOTORS	6,200	12,896	9,121	21,065	69,350	45,905
VOLVO	180	180	225	630	1,495	1,529
Total Cars, Canada	13,921	15,244	17,427	40,436	84,457	92,356
N. American Cars	119,661	148,787	91,830	272,368	897,485	604,467
N. American Trucks	52,596	44,948	44,132	124,384	315,805	281,756
North American Cars and Trucks	171,657	193,735	135,962	396,752	1,213,290	886,223

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

TRUCK PRODUCTION IN U.S.†

	Week Ended Feb. 20, 1982	Week Ended Feb. 21, 1981	Week Ended Feb. 13, 1982	Feb. to Date	Jan. 1 to Feb. 21, 1981	Jan. 1 to Feb. 20, 1982
CHEVROLET	12,710	7,837	12,698	34,535	91,581	83,994
DODGE	2,900	1,700	24	4,128	8,527	13,875
FORD	16,697	14,624	13,741	36,858	70,385	69,508
GMC	4,736	2,809	4,602	13,103	31,938	30,704
INTERNATIONAL	600*	1,690	1,150*	2,761*	10,138	7,239*
VOLKSWAGEN	715	1,040	689	2,094	6,069	3,397
JEEP	1,750*	1,740*	1,750*	3,500*	13,836	9,713*
AM GENERAL	50*	85*	50*	100*	595	250*
MISCELLANEOUS	1,400*	1,200*	1,400*	4,200*	7,300*	9,800*
Total Trucks, U.S.	41,558	32,725	36,104	101,279	240,369	228,480

CANADIAN TRUCK PRODUCTION

	Week Ended Feb. 20, 1982	Week Ended Feb. 21, 1981	Week Ended Feb. 13, 1982	Feb. to Date	Jan. 1 to Feb. 21, 1981	Jan. 1 to Feb. 20, 1982
CHRYSLER CORP.	2,000	1,600	2,006	5,381	5,921	11,416
FORD MOTOR	3,243	4,068	335	3,937	23,447	10,408
GENERAL MOTORS	5,560	6,310	5,447	13,152	44,196	29,850
INTERNATIONAL	235	245	240	635	1,872	1,602
Total Trucks, Canada	11,038	12,223	8,028	23,105	75,436	53,276
N. American Trucks	52,596	44,948	44,132	124,384	315,805	281,756

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

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Automotive News

March 1, 1982

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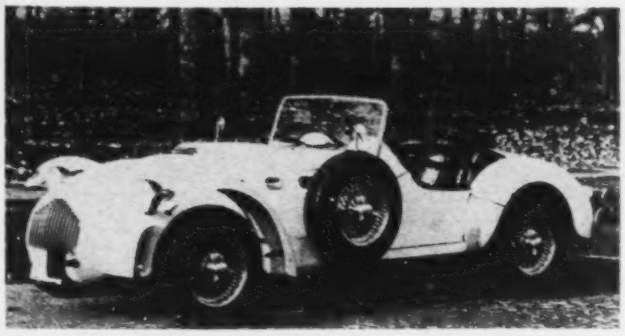
Allard redux



Chrysler-powered replicar

Allard Motor Co., Ltd., Mississauga, Ont., has begun production of the J2x2 Chrysler-Powered Allard. The drive train and major mechanical components are of Chrysler origin, as were many of the original Allard racing and sports cars in the '50s. The company said Chrysler Corp. dealers will get sales preference.

Unexpected optimism erupts at NADA despite worry over high interest and price policy

By Robert M. Lienert
Editor

ATLANTA. — A rainbow of optimism appeared as if by magic from the retail auto industry's clouds at NADA's 65th Convention & Exposition here last week.

With no apparent foundation except early, scattered reports of healthy retail new-car sales on the Presidents' Birthday weekend (Feb. 12-15), optimistic talk permeated corridor conversations and official sessions and punctuated executives' comments.

A similar tide of optimism flowed strongly through the exposition, with heavy traffic found at booths featuring items perceived to be profit-builders or profit-savers. Computer business was particularly brisk.

This is not to say, of course, that there were no areas of concern. There were plenty. Leading the list, from the dealers' viewpoint, were high prices and high interest. NADA officials made it abundantly clear that they intend to continue pushing aggressively for a rollback of prices.

Factory officials were equally blunt in saying that this is not likely to happen.

F. James McDonald, president of General Motors, said at a press conference that GM considers "competitive pricing" not necessarily the same thing as lower prices.

Both dealers and manufacturers tend to view rebates as a rather unpalatable way of moving the market in a minor and temporary way.

NADA wants to make the rebates permanent in the form of a reduction in the sticker price.

• Surprisingly, the issue of Japanese competition, which dominated the NADA conclave two years ago, got very little attention this time around. In fact, Isuzu and Mitsubishi received a torrent of franchise applications in Atlanta. Isuzu reportedly increased the number of its franchise applications by 50 percent during the convention.

As for the optimistic attitude, a seat-of-the-pants feeling of better times ahead was expressed succinctly by one dealer who said things had been so rotten for so long they probably couldn't get any worse — they had to get better.

Pointing up this new era of optimism was a prediction by George W. Lyles, incoming NADA president, that new-car sales would increase 5 percent this year to 8.9 million units. But Lyles listed a couple of caveats.

"The projected improvement,"

Continued on Page 33, Col. 1

First step in rearranging the shape of labor relations

UAW-Ford pact changing the game

By Marjorie Sorge
Labor Editor

DETROIT. — The new UAW/Ford Motor Co. contract is just the first piece of a giant puzzle that will totally rearrange the shape of labor relations when completed.

The pact will have far-reaching ramifications. Several of the new principles will provide the basis for the union's revised game plan where economics are not the entire strategy, Donald F. Ephlin, UAW vice president and director of the union's Ford Department, said in an AUTOMOTIVE NEWS interview.

These include:

1. The UAW can address the Ford board of directors twice a year on relevant matters. This could be the first step toward a seat on the Ford board.

2. Business decisions, general operations and finances of a plant will be discussed by both sides on the local level. While it is not an opening of the books, Ephlin said the exchange of information will benefit the union and the company.

3. On the national level, the company and the union will also work more closely together.

4. The UAW is hopeful blue-collar workers can move up the ranks into white-collar non-supervisory jobs as more training and education plans develop.

5. Laid-off high seniority workers can "bump" probationery workers at UAW-represented plants throughout the Ford network and are given preferential hiring rights for available work. This could lead to a more mobile workforce and to corporate seniority, but unless the economy picks up, it could almost eliminate new hires.

Profit sharing and the guaranteed income stream (GIS) which provides income security for laid-off workers with 15 years or more seniority also play a big role in the new game plan.

"We must be flexible, we must be creative and find new approaches," Ephlin said. "We must change from being just adversaries . . . grievance handlers . . . to representing the people in a broader spectrum of

Continued on Page 38, Col. 3

breaking news

New trial ordered in engine-switch case

CHICAGO. — Chief Federal District Judge Frank McGarr has set aside a $5.8-million jury award against General Motors for selling 1977 Oldsmobiles with Chevrolet engines and ordered a new trial.

Chrysler prices two new models

DETROIT. — The new Chrysler Town & Country four-door wagon, which is part of the LeBaron line, will carry a sticker price of $9,425. Another newcomer is the Plymouth Turismo 2.2 coupe at $7,345, which replaces the TC3 Turismo ($7,115) in the subcompact lineup. The Turismo 2.2 corresponds to the Dodge Charger 2.2 at the same price. The $7,345 Turismo has a simulated hood scoop, rear spoiler,

See BREAKING NEWS, Page 8, Col. 1

DeLorean explores options, eyes financing

By Edward Lapham
Financial Editor

John DeLorean and his lieutenants spent last week exploring options and tactics available to the DeLorean sports car enterprise.

Included in the week's activities were meetings with potential investors, creditors and Sir Kenneth Cork, who had one week earlier been appointed receiver of the Belfast-based DeLorean Motor Cars, Ltd., when the car-building unit went into voluntary receivership.

The U. S. parent and marketing company, DeLorean Motor Co., was not included in the receivership. The company's 344 U. S. dealers continued to sell the stainless steel DeLorean sports cars with gullwing doors last week.

C. R. Brown, president of DMC's DeLorean Motor Cars of America marketing division, said the company still has about 40 candidates for dealerships, although any dealers signed now will not be investors like the early dealers, but will be signed to a standard franchise agreement.

Brown said there have been "mixed results" from the publicity received as a result of the voluntary receivership of the overseas unit.

"Things still look pretty good," he said, "But we need a shot of good publicity and an upturn in the market."

• DeLorean and Brown met with Bank of America officials last week to discuss the company's $30 million revolving credit line, of which DMC used more than $20 million to finance shipment of cars from Belfast to the U. S.

DeLorean also met with Citi-

Continued on Page 36, Col. 5

Congress again considers veto of FTC rule

Second used-car battle opens

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — Round one of the second match between Federal Trade Commissioner Patricia Bailey and used-car dealers occurred before a House Commerce subcommittee chaired by Rep. James Florio, New Jersey Democrat.

This time, Tom Greene, NADA's executive director of legislative affairs, testified. Greene was accompanied by Mark Grisler, a Woodbury (N. J.) dealer. Representing the National Independent Automobile Dealers was Joseph Eikenberg, president emeritus, accompanied by Charles Nicholson, current NIADA president.

Arguments were very much the same as during the first session of this Congress. Just a few days before that session was due to adjourn, the expected two-House veto of the FTC rule failed because Senator Robert Packwood, Oregon Republican, blocked Senate passage and thus mooted any House action.

The vote in the Senate Commerce Committee was 12 to 4 (with one abstention) for the veto; the House Committee vote was 27 to 14.

The Used-Car Rule in exactly the same form was resubmitted to Congress on Jan. 28, and the 90 legislative-day period for a two-House veto started to run. Since the issues and the lawmakers are precisely the same, the Senate may forego hearings and merely vote it up or down on the floor.

• Commissioner Bailey testified that dealer fears about the extent of their liability are "greatly exaggerated." She scored "major misconceptions" that inspections would be needed or that dealers would face large fines.

She released a new document of FTC's enforcement policy that says flat out that "no dealer will ever be subjected to an

Continued on Page 8, Col. 1

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Relaxation of standards run into heavy seas in the House

Governors oppose clean-air changes

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The first appearance of domestic auto industry witnesses pleading for quick changes in the Clean Air Act was completely overshadowed by West Virginia Gov. Jay Rockefeller IV, who said the National Governors Assn. opposed relaxing auto emission standards.

House Subcommittee Chairman Henry Waxman, California Democrat, meanwhile, was putting in his own Clean Air bill—one that makes some changes but which retains the current auto emission standards — in opposition to HR 5252, supported by the industry and the Administration.

Waxman thus was squaring off against his own committee chairman — John Dingell, of Michigan — in hopes he could garner support from higher-ranking Democrats and offer a measure closer to the hearts of his environmentally oriented colleagues in the Senate.

Which bill — the "fine-tuning" Waxman effort or the "moderate" and "bipartisan" Dingell measure — will make it out of the subcommittee is not clear. While the outlook in the House is more optimistic than in the Senate, it is not at all certain that any change will be made this year, much less in the "next few months" needed for production scheduling of '84 models and EPA certification.

Gov. Rockefeller, chairman of the Governor's Energy and Environment Committee, renewed the governor's support for most provisions dealing with stationary sources, but pointed out that the governors also want retention of current auto standards.

Even in the area of state implementation plans, the governors want limits set on delays and on any area wanting an extension beyond 1987 for carbon monoxide or ozone to put vehicle inspection-maintenance programs into place. (The Dingell bill would require I/M for extensions of both CO and ozone; the governors want I/M for either one or the other factor.)

The governors are concerned that relaxing the auto emission standards would adversely affect meeting ambient air quality standard and make additional controls on smokestacks necessary.

State and local air pollution officials were queried by governors about the impact of relaxing auto standards. Rockefeller stressed that the results were not scientifically valid since each state used its own assumptions to project growth and some were obviously better than others; moreover, 11 states did not respond.

But Rockefeller was firm in believing the trend — as determined by the officials on the spot — was important and accurate.

• For example, using the proposals in the Dingell bill—first, relaxing the auto and truck standards and then providing for innovative waivers—the survey showed average total loading of CO will rise above levels otherwise projected to occur by 9.4 percent to 17.3 percent in 1987 and by 14 to 56 percent in 2000.

Using the same proposed changes in the Dingell bill, the survey showed average total loadings of NOx will rise above the levels otherwise projected to occur by 13 to 16 percent in 1987 and by 28 to 39 percent in 2000.

Further, using those same Dingell bill assumptions:

1. Even with an inspection-maintenance program in place, 14 areas of the country are esti-

Continued on Page 34, Col. 3

Auto makers lose $1.34 billion in '81; '80 was worse

The four domestic auto manufacturers suffered a combined net loss of $1.34 billion in 1981. Bad as that figure is, it was considerably less than their 1980 performance when the combined deficit was $4.22 billion.

General Motors was the only maker to show a profit in 1981. Its $333 million net income represented a turnaround of more than a billion dollars from 1980's loss of $763 million.

The other three companies were in the red, but each fared better in 1981 than in 1980.

Ford Motor Co. cut its deficit to $1.06 billion from $1.54 billion in 1980.

Chrysler Corp.'s loss was $476 million in 1981, down from $1.71 billion the previous year.

American Motors had a loss of $137 million in 1980, compared with a loss of $201 million in 1980.

Dollar sales increased 7.3 percent in 1981. The total for the four companies was $114.4 billion, compared with $106.6 billion in 1980.

Makers' Financial Results, 1981 vs. 1980
(IN MILLIONS)

	1981 Sales	1981 Profit (Loss)	1980 Sales	1980 Profit (Loss)
General Motors	$ 62,699	$ 333	$ 57,729	($ 763)
Ford Motor Co.	38,247	(1,060)	37,086	(1,543)
Chrysler Corp.	10,822	(476)	9,225	(1,710)
American Motors	2,589	(137)	2,553	(201)
TOTALS	114,357	(1,340)	106,593	(4,217)

Rebates help, but mid-February total is slightly below 1981

New-car sales are highest of year

By Jenny L. King
Staff Writer

Domestic new-car sales in mid-February almost matched the year-ago level — they were down less than one percent.

But although they were not spectacular, sales were at their highest level so far this year. Generous rebates were a major stimulus to the lethargic '82 market.

Dealers retailed 167,395 units Feb. 11-20, down 0.82 percent from 168,787 in 1981. It was the best total to date, and the daily selling rate of 18,599 was the strongest since late November's 19,913 average.

General Motors and Ford Motor Co. turned in improved totals, while Chrysler Corp., Volkswagen of America and American Motors leaned in the other direction. GM, Ford and Chrysler sales were the highest to date this year.

GM reported sales of 103,743 new cars in mid-February, up 3.90 percent from 99,853 last year. Ford sales of 42,206 were up 4.55 percent from 40,368. Chrysler dropped to 16,556 from 19,294, a 14.19 percent decline. VWoA stood at 2,090, down 61.81 percent from 5,472, and estimated sales of 2,800 AMC units were down 26.32 percent from 3,800 a year ago.

GM earned 61.97 percent of the domestic market, up from 59.16 percent in 1981. Ford climbed to 25.22 percent from 23.92 percent. Chrysler slipped back to 9.89 percent from 11.43 percent — its smallest share of the market to date this year and smallest since third-period November, 1981.

AMC sales accounted for an estimated 1.67 percent of the total, down from 2.25 percent last year, and VWoA held the remaining 1.25 percent, down from 3.24 percent.

Nine domestic makes, including all Ford and GM makes, were up during the mid-month period. Lincoln soared 48.23 percent, Mercury was up 7.24 percent and Ford was up 1.01 percent. Cadillac climbed 9.58 percent, Chevrolet was up 5.18 percent, Pontiac was up 3.02 percent, Oldsmobile was up 2.27 percent and Buick was up 1.82 percent.

Chrysler was the only Chrysler Corp. make to exceed last year's sales. It was up 40.48 percent, while Dodge dropped 22.99 percent, Plymouth was down 20.85 percent and Imperial was down 7.89 percent.

With nine selling days this year and last, the daily average of 18.599 was down 0.82 percent from 18,754.

Year-to-date sales reached 677,806, down 12.45 percent from 774,173.

DOMESTIC SALES

	Feb. 11-20, 1982	Feb. 11-20, 1981
AMERICAN MOTORS	2,800†	3,800†
Chrysler	3,307	2,354
Imperial	70	76
Plymouth	7,107	8,979
Dodge	6,072	7,885
CHRYSLER CORP.	16,556	19,294
Ford	28,640	28,353
Mercury	11,101	10,352
Lincoln	2,465	1,663
FORD MOTOR	42,206	40,368
Buick	19,394	19,048
Cadillac	6,624	6,045
Chevrolet	41,778	39,719
Oldsmobile	20,657	20,199
Pontiac	15,290	14,842
GENERAL MTRS.	103,743	99,853
VOLKSWAGEN	2,090	5,472
INDUSTRY TOTAL	167,395	168,787

†Estimate

Buick's newest and smallest

Two-door notchback version of the new Skyhawk, Buick's version of the J-car, has made its debut. The sharply wedge-shaped design gives the Skyhawk the lowest coefficient of drag of any Buick model. Standard is a 1.8-liter four-cylinder engine.

Buick's smallest debuts —the Skyhawk J-car

FLINT. — The 1982 Buick Skyhawk, the newest and smallest in the Buick lineup, makes its debut this month.

Bearing a family resemblance to the new Buick Century, the front-wheel-drive Skyhawk's aerodynamic wedge shape gives it the lowest coefficient of drag of any Buick.

The Skyhawk series is available in coupe and sedan and Limited coupe and sedan.

Three engines are offered: A standard 1.8-liter four, an optional 1.8-liter fuel-injected overhead-cam four and a 2.0-liter four. Standard transmission with the standard engine is a four-speed manual. An automatic is available on all engines and a five-speed manual will be available with the OHC four.

In the automatic transmission, a 2.4-ratio torque converter will give greater torque multiplication for acceleration. The transmission also has a converter clutch which is engaged in third gear.

The Skyhawk instrument panel features a complete set of gauges (on Limited models), including voltmeter and oil pressure and fuel and temperature readings. A tachometer is available.

Other features include fingertip rocker switches for headlamp, parking and turning lamps and available rear window defogger. The in-dash vent system includes separate vents for slide window defogging.

The Skyhawks come with underhood, glove box and trunk lights, front console, custom color coordinated seat belts, trunk trim, AM radio with dual speakers and mast antenna, front and rear passenger assist handles, full wheel covers, body side moldings and power brakes.

Standard on coupe models is an "easy entry" passenger side front seat. When the seat back is tipped forward, the entire seat moves forward. The seat also has a memory feature, allowing it to return to the last fore/aft position.

Limited models are available with cloth interiors of the same knit velour that is used in the Electra Park Avenue.

The MacPherson strut front suspension design has lower control arms mounted to the front and rear of outrigger assemblies. The strut tuning is specific to the Skyhawk, with the shock absorber compression and rebound orifices opened up, and high rate rebound and compression springs specified. The result is a comfortable, isolated ride, without a sacrifice in handling.

Rear suspension is a semi-independent trailing crank arm design, which allows the axle to twist when one wheel goes over a bump. Here again, Buick engineers specified large orifices in the shocks and high rate return springs for smoothness and isolation.

Skyhawk four-door sedan

The Buick Skyhawk four-door sedan is small, but carries on Buick's luxury tradition. Standard interior features individual reclining seats covered in a woven velour (vinyl is available). A four-speed manual transmission is standard and automatic is optional.

Action continues strong in upper segments of the market

Specialty and luxury cars a bright spot amidst the gloom

By Kathleen Hamilton
News Editor

As the auto industry sifts through gloomy profit reports and 10-day sales figures and forecasts promising an upturn no earlier than summer, the time has come for some springtime cheer.

It can't be of the traditional variety, because the spring selling season doesn't promise to amount to much. Instead, then, let the optimists look at the lines that are likely to remain peppy until the rest of the market picks up:

A sampling of analysts, both independents and from the factories, unanimously agreed the only real action will continue to be in the upper price segment. There is room enough for both the luxury cars and high-tag sporty models to do well, they said.

The industry-watchers also agreed that even when the economy recovers and other price ranges begin to see growth, these high-priced models will continue to gain in sales.

Can it be true there will be an ever-growing affluent sector willing to buy high-priced cars?

Almost, said many analysts.

• One of the reasons for growth in the sector is the change in tax laws; another is pure demographics; still another is emotional.

Tax laws first: Changes enacted during the Reagan Administration have generally benefitted those in the high-income brackets, and they now have extra incentives to lease autos.

Faster depreciation schedules and the investment tax credits should especially encourage the luxury-car leasing business, according to Robert Wallach, president of Robert Consulting Group, Lynbrook, N. Y.

Indeed, a spokesman for Porsche-Audi said that about 50 percent of Porsche's West Coast deliveries are leased, and Audi deliveries in the area are running about 30 percent leased. Nearly half of all Mercedes-Benz deliveries are leased.

BMW also reported a healthy lease business, and Wallach sees equal opportunities for leasing in the American luxury-car markets, as well.

Part of the formula for a successful leasing operation, of course, are high tradein prices. These luxury models indeed are holding onto their values. A good part of the reason is the steady fuel supply and the confidence this has given consumers.

• J. Dave Power, president of J. D. Power & Associates, the Los Angeles-based public opinion research firm, reported that consumers no longer rank fuel economy as their top consideration in buying a car. It now ranks third — behind reliability and price — "almost back to where it should be," Power said.

This easing of the energy panic paved the way for the resurgence of interest in performance cars.

The strong starts for the Camaro and Firebird and the successes of the sporty Japanese upscale models such as the Toyota Celica Supra and the Datsun 280-ZX are right on the money, Power said. Sales are not likely to subside unless another energy crisis occurs. Toyota's sporty new Supra, for example, nearly doubled its January sales level of a year ago.

The $38,000 Porsche 928 is expected to turn in sales of 3,000 units in 1982—double the level of just two years ago.

Bruce Masterson, district manager for Data Resources, added the Chrysler LeBaron to the list of cars that his research firm sees as being in the right place at the right time.

But, sitting in his Detroit of-

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Chrysler Defense sold to General Dynamics

By Edward Lapham
Financial Editor

Chrysler Corp. ended months of speculation by announcing it has agreed to sell its tank-building unit, Chrysler Defense, Inc., to General Dynamics Corp. for $348.5 million.

The sales will be finalized in March after approval by more federal government agencies. The U. S. Army and the Defense Department already have approved.

At a press conference called to announce the sale, Chrysler Chairman Lee Iacocca said the proceeds of the sale will combine with the company's $400 million cash surplus to give the auto maker "a cash cushion in the neighborhood of three-quarters of a billion dollars."

The cash cushion will be used to help "insulate" Chrysler from "the devastating effects of continued high interest rates" and keep the company's new product programs on schedule.

"This is a very beneficial arrangement for Chrysler Corp. and its employes, for the employes of the Defense Division and for General Dynamics," Iacocca said. "Now I think we're in a position to ride out the storm."

General Dynamics will assume the remainder of the labor contract with the UAW which expires Sept. 15. The UAW will continue to represent the workers at the Defense plants.

The sale, arranged by investment banking firm Lehman Brothers, Kuhn Loeb, was the result of many months of "bidding" by interested parties. General Dynamics and Teledyne, Inc., were among the finalists.

• Chrysler Defense, Inc., entered 1982 with an order backlog of about $1.75 billion, including nearly $1.0 billion in orders for the M-1 and M-60 tanks.

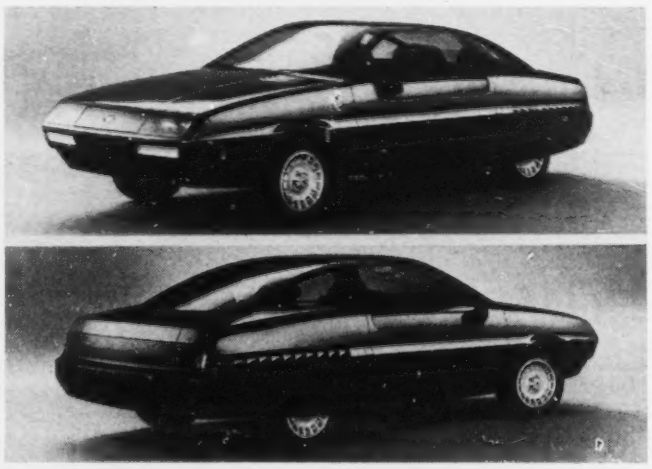
The company has about 7,000 hourly and salaried employes. The facilities involved in the sale include: The Lima Army Tank Plant, Lima, O.; Detroit Arsenal Tank Plant, Warren, Mich.; Defense Engineering, Center Line, Mich; Sterling Defense Components Plant and unit headquarters, Center Line, Mich., and Scranton Defense Plant components factory, Scranton, Pa.

Chrysler Defense operations began in 1941 with output of the M-3 tank used in World War II. The Detroit Tank Plant also built M-4 and M-26 models for use in that war.

Through the years, Chrysler also has built tanks in its Newark (Del.) facility and at the Cleveland Tank Plant, during 1965, where General Motors Corp. also has built tanks for the U. S. Army.

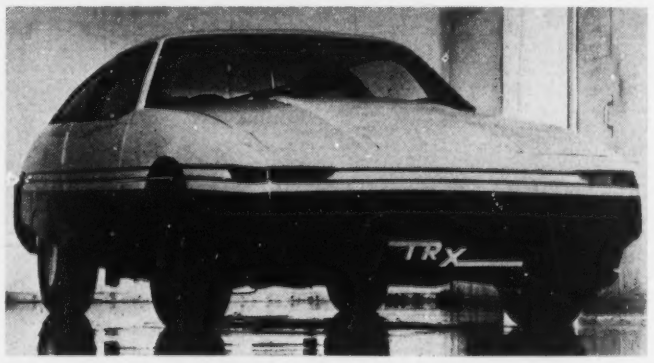
The corporation had built 48,-175 tanks from 1941 until Dec. 31, 1981.

It also currently is involved in the development of the M-1 Abrams 120-mm gun system and the development of a new tank for the Republic of Korea and is one of three companies working with the U. S. Army under contract to develop a high-mobility, multipurpose 1¼-ton truck which will be a successor to the Jeep and other light trucks currently used.



Look out, world

One of the highlights of the 1982 SAE Show in Detroit was this Ford concept car, the Topaz Mustang. The car was designed, developed and built by Ford's Ghia Operations in Turin, Italy, which worked with Ford's Design Center in Dearborn. Topaz Mustang, on an Escort platform, has an aerodynamic drag coefficient estimated at 0.33.



Trick TRX from GE

Folks attending the SAE Show at Detroit's Cobo Hall had some exotics to look at including this TRX. It's based on the BL, Ltd., TR7. Doors, fenders, roof and bumpers are made of GE plastics. European auto makers are moving—more quickly than their U. S. counterparts—toward large, functional exterior parts from an injection molded plastic.

Trade wars worry 'feisty' import dealers

By Jake Kelderman
Washington Staff Writer

ATLANTA. — More than 700 dealers of imported automobiles gathered here last week, to pat each other on the back, renew old acquaintances, talk about business.

It was the 12th annual meeting of the American International Automobile Dealers Assn. and although the spectres of high interest rates, a dormant economy, quotas and threats of protectionism did hang over the affair, the dealers managed, as AIADA President Robert McElwaine put it, to gather in an "ebullient and feisty" fashion.

And indeed why not, for in a "auto market that has sunk lower than anyone could have imagined, it is the import dealers, with only a few exceptions, who are still making money and, in many cases, making lots of money.

McElwaine called on the dealers to rally against two new forms of protectionism — the local content requirements the UAW is pressing for on Capital Hill and the so-called reciprocity requirements being pushed in the Senate.

Local content requirements "would precipitate a world trade war because they violate almost every U. S. international trade agreement," he said.

Far from making the U. S. auto industry stronger, local content requirements would make it non-competitive on world markets and reduce it to permanent dependence on the federal government, he said.

Reciprocity is just snake oil

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Steel industry conference at SAE takes an odd turn

Japan upstages U.S. with U.S. development

By Roger Rowand
Engineering Editor

DETROIT. — A steel industry press conference at the SAE Show here almost turned into a high-powered plug for one thing steel makers in this country detest—Japanese steel.

Ironically, the steel that stole the show was, after all, not a Japanese development but one of U. S. Steel Corp.'s that had been ignored by the U. S. auto industry.

Joe King, manager of Chrysler Corp.'s Metallurgical Engineering Department, was a member of a five-man SAE panel. His job was to give an insider's view of present and future uses of high-strength and coated steels.

King said use of galvanized steel is the key to corrosion protection as pressure for more such protection rises. Currently, the auto industry depends heavily on prepainted steels for rust protection.

"A promising substitute candidate for prepainted steel is the two-side galvanneal (sic) produced by Japanese steel makers and used in Japanese cars in large quantities," King said.

"If its resistance to perforation stands up to its claims, this two-side iron-zinc alloy can be used in underbody structural

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